

The Department of State

Binding

bulletin

Vol. XXX, No. 765

February 22, 1954



A FOREIGN POLICY FOR THE LONG HAUL • by Under Secretary Smith 263

FOREIGN MINISTERS' DISCUSSIONS CONTINUE . . . 266

BUILDING A SECURE COMMUNITY • by Assistant Secretary Norton 269

BROTHERHOOD IN THE WORLD OF TODAY • by Deputy Under Secretary Murphy 287

MISSION TO THE MIDDLE EAST • by Eric Johnston . . . 292

THE DEVELOPMENT OF UNITED STATES POLICY IN THE NEAR EAST, SOUTH ASIA, AND AFRICA DURING 1953: PART I • Article by Harry N. Howard . . . 374

For index see inside back cover



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VOL. XXX, No. 765 • PUBLICATION 5381

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The Department of State BULLETIN, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, as well as legislative material in the field of international relations, are listed currently.

For sale by the Superintendent of Documents
U.S. Government Printing Office
Washington 25, D.C.

PRICE:
52 issues, domestic \$7.50, foreign \$10.25
Single copy, 20 cents

The printing of this publication has been approved by the Director of the Bureau of the Budget (January 22, 1952).

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A Foreign Policy for the Long Haul

by Under Secretary Smith¹

It is a very special honor to be your guest this evening. To me it is a wonderful thing that in these troubled times men gather together to withdraw for a brief space from worldly pursuits, to renew their faith, and to strengthen their souls through meditation and prayer. We are so swept along by the tide of events—the press of daily problems is so intense—that the great perspective is too easily lost. Not only individuals, but also nations and their governments, can be the victims of these distractions. The therapy of a retreat might be as effective for the mundane as for the spiritual vision, and I think that nowhere in the mundane realm is the need for quiet and constant rethinking and reassessment greater than in the sphere of relations among nations. In a violent and distracted world where events move at an unprecedented pace; new factors are constantly emerging; new forces are being felt, and known forces are changing direction. Calm and reasoned judgment in the conduct of foreign policy may bring us success and with it the security and peace that we have sought so long. Failure would threaten our survival.

The foreign policy of our country is determined in Washington by the President and his lieutenants. The duty of applying that policy to local situations abroad devolves upon our Foreign Service. It is a tremendous responsibility at any time, but especially so today. I can assure you that your country's representatives abroad are second to none in competence, in loyalty, and in devotion to American ideals. In a recent book Sir Robert Bruce Lockhart, himself a veteran of 40 years of British diplomacy, says:

The career American diplomats are a remarkable body of men, thoroughly trained for their job, eager, receptive, more alive to the social convulsions of a changing world and less conservative in their attitude than many of their British colleagues. I think that ever since 1918 they have been more often right in regard to Europe than we have.

¹ Address made before the Laymen's Week-End Retreat League, Men of Malvern, Philadelphia, Pa., on Feb. 9 (press release 60).

Today I completed my first year of service as Under Secretary of State, and during that year I have had impressed on me time and again the accuracy of Bruce Lockhart's statement. I take this occasion to remind you that by encouraging your representatives abroad you make a practical contribution to the success of the work they are doing, and there has never been a time when it has been more important that they be in a position to give their best.

I have spoken of the necessity for frequent and careful review of the relations between nations and of our own foreign policy. The objectives of this policy remain constant—the welfare and the security of the United States—but as situations change the programs designed to implement our policy must be adjusted. The President is keenly aware of this necessity. Such a review has recently been completed, and the Secretary of State has announced certain modifications of policy. These I would like to discuss with you tonight because they hold deep significance for us, for our allies, and for that part of the world which is hostile to our beliefs and convictions.

Emergency Measures

At the end of World War II it was evident that the American objectives, the security of the United States and the preservation of its ideals, required material and moral reconstruction almost on a global scale. The war had left widespread devastation, human misery, unrest, and shattered political structures. These conditions are no foundation for an international framework of peace. Accordingly, we instituted various programs to improve the security of the free world and to provide a basis upon which a real peace might be built.

Reviewing the past decade, I think it is agreed that most of the policies we have followed have been sound. However, they were, in general, emergency measures adopted under pressure to meet situations imposed by forces outside our borders. Our program for economic aid for other free nations is one example. First, it was of an

emergency nature to fend off widespread collapse; later, it was designed to enable the war-stricken nations to rehabilitate themselves. The program of military assistance is another. As the aggressive character of Communist policy became evident, our own security, as well as that of our allies, necessitated defensive rearmament. By such measures as the North Atlantic Treaty and similar security agreements, and through a vast program of military assistance, we have strengthened the free world. Another example is our reaction to the brutal attack on the Republic of Korea. The membership of the United Nations rallied behind American leadership, fought the aggression, and met it successfully. These were the acts of a nation which realized the danger of Soviet communism, which saw that its own safety was tied with that of others, and which was capable of responding boldly and promptly to emergencies.

However, emergency action is costly and emergency measures, no matter how good or necessary at the time, are not suited to our long-term interests. Moreover, we have grown in strength together with our allies, and we are no longer helpless in the face of overwhelming force. The growth of the economic and the military power of the free nations has partly rectified the imbalance of power between the free world and the slave world. The land forces now available to the free world, although by no means the equal of the Red armies, are strong enough to discourage aggressive adventure. And we now possess the further deterrent of massive retaliatory power.

In the reexamination of our foreign policy these considerations became clearly apparent. The dangers facing us are no less great and the threat of Communist aggression remains grave, but the situation has changed. The difference is the increase in our capacity and the capacity of our allies. In harmony with the times, therefore, we are planning, as the Russians plan, for an entire historical era. The United States must be strong not only for today, but for all of the foreseeable future; and we must be strong not only for ourselves, but for those who today and in the future look to us for leadership in building their own strength and maintaining their own security. We know only too well that the Soviet Communists plan in terms of generations. We know that their objective is to divide and weaken the free world, to separate friendly nation from friendly nation, to force us to overextension until, as Lenin said, we come to practical bankruptcy. And the threat which we must meet is the Soviet strategy that is not limited by a precise timetable. For us the timelessness of Soviet strategy is of the utmost importance. We cannot permit ourselves or the free nations who are associated with us to be exhausted economically or physically. Our own economic strength is the bastion of the free world, and it must be maintained. Accord-

ingly, we have geared our policy for the long haul. We are well aware that the cost of our security effort of the past 3 years, if continued over the next decade, could bring on an economic breakdown. Therefore, defense cost must be brought to a level which is within our capacity to sustain over an indefinite period.

It is not sound military or economic strategy, for example, to maintain U.S. land forces in Asia when our friends and allies in Asia are willing and anxious to defend themselves, given the material and training to enable them to do so.

It is not sound strategy to commit ourselves to the maintenance of military establishments so vast and costly as to threaten us with bankruptcy (again as Lenin predicted), when we possess the massive means of retaliation to deter aggression. However, as Secretary Dulles recently said, although a change was imperative to insure the stamina needed for permanent security, it was equally imperative that this change should be accompanied by an understanding of our true purposes. Any sudden and spectacular modification of policy had to be avoided. Otherwise, there might have been panic among our friends and miscalculated aggression by our enemies.

Maximum Defense at Bearable Cost

Our Government is seeking a national security system which will provide the maximum defense at a bearable cost, and our purpose is to make our relations with our allies more effective and less costly. Today we are placing more reliance on deterrent power and less on local defensive power. The development of local defenses will continue but at a more moderate rate than the emergency pace set heretofore. This has already been put into effect in the North Atlantic Treaty Organization plan. There, as elsewhere, the growth of conventional defense forces is calculated to remain within the defensive policies of the member nations. President Eisenhower has announced our intention to reduce the number of American troops in Korea and at the same time to equip a corresponding number of Korean divisions. At the same time he declared that American units in the Pacific would be highly mobile naval, air, and amphibious elements. The net result is an increase in the striking power that can be directed against any aggressor. This striking power is to be reinforced with what I have previously referred to as massive retaliatory strength, and this strength is centered in a strategic air force capable of prompt and decisive counterattack at a time and against a target of our own choosing. In this reordering of free-world defenses several important purposes are accomplished. In the first place, we obtain maximum security at a cost within our capacity to pay, and thus we insure that our effort will be endurable and enduring. Next, we

have reached a position where we can guarantee future resistance at the outset against any aggression, and we have served notice that an aggressor invites devastating retaliation at a time and at a place of our own choosing.

As long as American basic policy concepts were unclear and undecided, it was not possible for our Joint Chiefs of Staff to act definitively in building our military power. Accordingly, our enemies were able to choose the time and place and method of attack, while we met aggression by local opposition. The initiative lay with them, and we had to react wherever they chose to prod us. Now the President and the National Security Council have taken the necessary basic policy decisions, based largely on our great capacity to retaliate instantly by means and at places of our own choosing. Our defense establishment can shape our military apparatus to fit our policy, and this means that a selection of military methods is possible, instead of a multiplication of means.

The relationship the United States desires with other free nations is one of mutual respect which will endure. We believe that for durability our voluntary partnership should be based on a coequal status of the partnership. If one nation continues to be a permanent provider for the others, or if it is expected to carry a disproportionate share of the community burden, mutual respect will be destroyed and resentment will grow. We have found that one does not buy friendships, nor do our allies expect our friendship to be bought. Therefore, except as a corollary to military support, the aid programs will be reduced. In their stead we look for greater economic cooperation and increased trade. The Randall Commission, appointed by the President, has recently completed a painstaking study of our foreign trade. The recommendations of this Commission have been submitted to the President and will, in all probability, form the basis for his proposals to the Congress on trade matters.² As the greatest market and the largest producer, the United States has a particular responsibility in this field. If we can manage a sound and economic expansion of our world trade, we will make a substantial contribution not only to our own strength and well-being but to the economic health of our coworkers among the other free nations.

I would point out that the changes arising from this reexamination of policy are more those of emphasis than of basic positions. The deterrent aspect of our security program has always been there, but it was not given the priority it now has. We are still backing the principle of collective security, and we propose to strengthen it.

²For principal recommendations of Commission, see BULLETIN of Feb. 8, 1954, p. 187.

The Problem of a Divided Germany

Our Secretary of State, and his colleagues of Britain and France, are now meeting with the Soviet Union in Berlin in an attempt to bring to an end the Soviet division of Germany. The continued division of that nation is unwarranted and unjust, and we believe that it is time a united, free and democratic Germany was restored to its place in the community of Western Europe.

We are convinced that any practical plan of defense for Western Europe must include provisions for the defense of Western Germany. And we cannot visualize a defense of Western Germany that does not call for the participation of West Germans.

We give our utmost support to a European Defense Community, a project, I might add, which has encountered steady and bitter opposition from the Kremlin. It is obvious, from this bitter opposition, that the Soviet Union has ambitions in Western Europe with which such a defense community will interfere.

Thus far, the Soviet representatives at Berlin have brought forward nothing new. In response to our demand for free elections throughout Germany, Mr. Molotov has proposed a plebiscite. The Soviet representative also urged that the Federal Government at Bonn, which is a freely elected government, and the puppet regime in East Germany be considered as equal for the purposes of treaty negotiation.

No thinking person could take Mr. Molotov's plebiscite proposal seriously. I am inclined to doubt that he expected anyone to do so. It was basically a propaganda maneuver, and it has failed, due to the skilled diplomacy of Secretary Dulles and his Western colleagues. Interestingly, the Soviet behavior at the conference has been more relaxed and less aggressive than any recorded during the period of Stalin's control. While this superficial change is welcome, we have yet to encounter any evidence of a basic modification in Soviet policy. When Molotov says no, his voice is softer. But the answer is still no.

Until there is a change in the substance, as well as the tone of the Soviet response, the real peace we seek remains a hope, and a goal to strive for. Yet I cannot believe that any dictatorship, however ruthless, can forever suppress the human spirit. God will prevail against those who deny him. The captive system can neither match nor stand against the spiritual and the material strength of a free society.

Sooner or later the men of the Kremlin will recognize this, or recognition will be forced upon them by those they have enslaved. Then, we will reap the reward for the sacrifices we have made in the cause of peace.

And at that point, we will realize that peace was well worth the effort.

Foreign Ministers' Discussions Continue

*Following are texts of further statements made by Secretary Dulles during the Foreign Ministers' Conference which opened at Berlin on January 25, together with the texts of Soviet drafts of a general European treaty and an auxiliary proposal regarding Germany:*¹

STATEMENT OF FEBRUARY 5

Press release 58 dated February 8

Since our meeting yesterday, I have read the transcript of Mr. Molotov's remarks and have studied his proposal.² I can still find no encouraging interpretation of what we heard yesterday afternoon.

The basic impression which strikes me is this: Mr. Molotov is afraid of genuinely free elections in the East Zone. He is afraid that the 18 million Germans in the East Zone, if given a chance to speak, would overwhelmingly reject the present imposed regime. Mr. Molotov has good reason to be afraid.

Consequently, the Soviet Foreign Minister has categorically rejected the proposals for genuinely free elections which have been put forward by the Western Powers. In its place he proposes his own blueprint. In the name of peace, he proposes a method for extending the solid Soviet bloc to the Rhine. In the name of what he calls democracy, he has set forth the classic Communist pattern for extinguishing democracy as that word has been understood for 2,000 years.

The cornerstone of the Soviet proposal is the so-called government of the German Democratic Republic. That government was put in office by Soviet power. It was confirmed in office by Soviet power. If it had not been for elements of 22 Soviet divisions, including tanks and armored cars, it would have been forcibly ejected from power by the workers who in their desperation rose up against it last June.³

It is that regime which under the Soviet plan would negotiate on a basis of equality with the government of the German Federal Republic. However, the scales are to be still further weighted

in favor of the Soviet puppet regime, because it is provided by the Soviet plan these initial negotiations shall also involve "wide participation of democratic organizations."

In the Soviet dictionary the words "democratic organizations" have a clear, precise meaning. They mean those front organizations—captive trade unions, youth organizations, women's organizations—which promote the Communist purposes without openly presenting themselves to the people in their true guise.

It is under these auspices that there would be prepared the "all-German electoral law" and the establishment of election conditions.

We can visualize in advance the type of elections upon which the East German regime would insist, because we already know those conditions from its past. I have already told of the election conditions which were established in East Germany where the voters were compelled by armed force and penalties to go to the polls and, when there, were compelled to put in the ballot box a list of names which had been previously prepared for them and which was made public only on election day.

Indeed, the Soviet plan expressly stipulates in Communist language that the election conditions would in fact be what they were in the Soviet Zone. The election must be so conducted as to assure its so-called "democratic" character. It must provide for the participation "of all democratic organizations." It must preclude "pressure upon voters by big monopolies," and it must exclude from voting privilege any organizations which by Soviet standards are of a Fascist or militaristic nature.

If we take the tragic pattern which has spread all over Eastern Europe in the wake of the Red armies, it does not require much wit to see what that means. It means that anyone who dares to express the slightest doubt concerning communism is automatically deemed a Fascist or a militarist or a monopolist.

If this system were to be applied to Western Germany, no organization opposing the Communists or the policies of the Soviet Communists, which are the same thing, would be permitted to take part in the elections.

It would only be the Communist Party and the Communist-front organizations which under Mr. Molotov's plan would participate in the elections.

I have no doubt that the Soviet Foreign Min-

¹For texts of earlier statements, see BULLETIN of Feb. 8, 1954, p. 179, and Feb. 15, 1954, p. 222.

²*Ibid.*, Feb. 15, 1954, p. 228.

³For texts of statements regarding East Berlin demonstrations, see *ibid.*, July 6, 1953, p. 8.

ister would protest that his plan does not really involve the sovietization of Western Germany.

I recall that in the October 1939 speech to which I have already referred,⁴ the Soviet Foreign Minister explained that the mutual assistance pacts which he had recently negotiated with Estonia, Latvia, and Lithuania "no way implies any interference on the part of the Soviet Union . . . as some foreign newspapers are trying to make out. . . . we declare that all the nonsensical talk about the sovietization of the Baltic countries is only to the interest of our common enemies and all anti-Soviet provocateurs."

The memory of what happened within a few months to Estonia, Latvia, and Lithuania, and of having seen that same pattern extend to the countries of Eastern Europe by the use of the methods which the Soviet proposal prescribes for Germany, will, I hope, explain some skepticism at the Soviet proposals for restoring freedom to Germany.

Mr. Molotov is too intelligent to believe that the people or government of West Germany would accept his proposals or that the three Western Powers would suggest that they do so. The Western German Bundestag, representing 70 percent of the entire German people, has unanimously refused to accept the East German regime as having any legitimate status or right to speak for the people of East Germany.

STATEMENTS OF FEBRUARY 9

Press release 62 dated February 11

First Statement (after 90-minute speech by Mr. Molotov):

Mr. Chairman, since I have heard nothing new, I have nothing to say.

Second Statement: Mr. Chairman, I think it could be questioned if it were said that we had not discussed the problem of security. I have just dug out before me five speeches which I have made around the table January 26, January 30, February 2, February 3, and February 4, all of which dealt with the problem of security. I think these speeches make clear that it is our concept of security that military establishments should be created on a community basis where force will not be used by the dictation of a single state or of a single person, but only under circumstances which unite several states in the realization of the fact that there is a common peril from aggression. That is our concept of security.

I have expressed it practically every time I have spoken with reference to this point two of the agenda, and I would be glad, if it would serve any useful purpose, to have reproduced the extracts

⁴For a summary of the speech transmitted to Washington by Laurence A. Steinhardt, U. S. Ambassador at Moscow, see *Foreign Relations of the United States. The Soviet Union, 1933-39*, p. 786.

from these five speeches, in case they have escaped the attention of the Soviet Foreign Minister.

The Soviet Foreign Minister has proposed that Germany should be left a power in the center of Europe, with a limited national force such as was provided for by the Versailles Treaty. The possibility of Germany thus becoming a balance of power in Europe, perhaps playing one side against the other, is not a concept which is acceptable to the United States. And therefore, it seems to me that on this matter also, there is a basic and fundamental difference and nothing that was said suggests to me that it could be reconciled. Therefore, I strongly support the point of view which has been expressed by the Foreign Minister of the United Kingdom, which is that while these problems must be—I think they will be—finally solved, it will not advance us very far if we continue at this particular conference to repeat over and over again what has already been said. We shall have a chance to think over what has been said, but I think it is much more useful to think over what has been said rather than to hear it said time after time.

The Foreign Minister may also recall that in one of my previous interventions I referred to the fact that we have under the United Nations a security system which the United States, at least, does not treat as nonexistent. It provides, article 2, section 4:—"All members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, . . ." That applies to the United States and to all of us here.

Article 2, subdivision 6, provides:—"The Organization shall ensure that states which are not members of the United Nations act in accordance with these principles so far as may be necessary for the maintenance of international peace and security." That applies to Germany.

I do not think we should proceed here on the assumption that these solemn agreements, that bear our signatures, are nonexistent. It seems to me that the subject has been dealt with as adequately as we can deal with it here, and I again repeat my endorsement of the point of view expressed by Mr. Eden.

STATEMENT OF FEBRUARY 10

Press release 64 dated February 11

Since Mr. Molotov has been kind enough to say that the United States can be an "observer," I thought it would be in order to make some observations on his plan.⁵

The proposals submitted are in two parts, one of which deals primarily with Germany and the other of which represents the draft of a proposed European treaty on collective security.

The paper with reference to Germany contains

⁵Post, p. 269.

the statement: "That we shall continue our efforts to seek a settlement of the German problem," and that, of course, the United States is disposed to do.

Then the paper in its paragraph 2 goes on to repeat the proposal which has heretofore been made a number of times by the Soviet Union with reference to the withdrawal of so-called occupation forces from East and West Germany.

There is one translating question which I would like to raise. In paragraph 2 (B) there is a reference to putting the occupation forces back in case security in Germany is threatened. The English text reads: "... in case the security of either part of Germany is threatened ..." and I understand the Russian text reads "... In case the security in either part of Germany is threatened. ...". In other words, I interpret that paragraph 2 (B) to relate to internal security, but I would be happy to have confirmation of that point from the Soviet delegation.

Mr. MOLOTOV: I would ask you to be guided by the Russian text.

Mr. DULLES: That confirms my view, then, that the proposal with reference to Germany is substantially the same as heretofore submitted by the Soviet delegation.

It makes it relevant, therefore, only for me to repeat what has been said before by me and others around this table: That the proposal would leave West Germany and consequently much of Western Europe exposed to any threat of external aggression.

A third paragraph of this paper contemplates the calling of another conference, and it is perhaps in order for me in this connection to say what I have said before; namely, that it seems whenever we have a conference which is unable to settle anything, the Soviet Union proposes that we have another conference, and a conference which can only breed other conferences is the best we can do. That is a rather disheartening conclusion.

Draft Implies Replacement of NATO

The second paper is the text of a proposed general European treaty on collective security in Europe. Since the United States would presumably not be a part of that treaty, my observations are not directed primarily to the actual text of the treaty, although there are certain implications in it which do affect the United States. It is perhaps implicit in the draft, although not entirely clear, that it is designed to replace the North Atlantic Treaty. I assume that from the provisions of articles 7 and perhaps 10, and the fact that the Soviet Foreign Minister in introducing his text, made a serious attack upon the North Atlantic Pact "as resembling in many ways the anti-Comintern Pact which led to the unleashing of the Second World War." He went on to say that "there are no reasons to doubt that the

fate of the North Atlantic Pact shall be any better than that of the anti-Comintern Pact."

So, I presume, although the Soviet Foreign Minister can correct me if I am wrong, that his proposed treaty for European collective security would be in reality a replacement of the North Atlantic Treaty.

The United States certainly cannot take offense at the suggestion of the Soviet Foreign Minister that the European countries should get together for their own collective security without the participation of the United States. The United States, I think, has never intruded itself as an unwanted participant in European affairs, and we do not have any intentions of doing so in the future.

The American people have a very deep and legitimate interest in Europe. Most of us derive from Western Europe. We share the culture and traditions and religion of Western Europe, and there are many bonds which tie us very closely together. But we do not feel that on that account we have any right to demand participation in European affairs.

The United States sent its armed forces to Europe in the First World War when the West was threatened by German militarism under the Kaiser. We delayed somewhat in doing so. But at the urgent appeal and desire of the threatened peoples of Western Europe, and because our own interests became involved, we did participate and certainly contributed to the final defeat of the German militarists represented by the Kaiser.

When that war was over, we took our troops home at once. Then the same story was repeated under Hitler in the Second World War, and again, after some delay and when the danger not only to Western Europe but also the Soviet Union was immense, and when we ourselves seemed threatened, we made a gigantic effort of putting troops and supplies in Europe to help to save Europe from the renewed militarism of Germany.

And, after the Second World War we withdrew all our forces from Europe, except a relatively small number who were required for occupation purposes in Germany.

Now, for the third time in this century, we have sent forces back to Europe and again the reason was that there were many in Europe who were afraid and who asked us to do so. That fear is, I imagine, a fear which cannot be allayed by new words and new promises, because the fear was inspired by a country which was already bound by the United Nations Charter not to use force against the territorial integrity or independence of any state. Whether that fear will be allayed by any repetition of that pledge is not for me to decide.

Division of Europe

It has been suggested that our participation in the present defense of West Europe to which I now

refer caused the division of Europe. That is one of these strange reversals of history, the upside-down talks, to which unfortunately we have had to accommodate ourselves. Everyone knows that the division of Europe was created before the action to which I refer and that our action was taken only because of the division of Europe.

It cannot, I think, be forgotten that when the United States proposed the Marshall plan, which involved the contributions of many billions of dollars to the rehabilitation of Europe, that plan was initially made available to all of the European States. It was at that juncture that the Soviet satellites, under the direction of the Soviet Union, were not permitted to share in that plan. Perhaps if that plan had been carried out in its original scope, it would have prevented the division of Europe, or at least mitigated the division of Europe, which unfortunately was intensified by the Soviet action.

The division of Europe, I am afraid, comes from causes which considerably antedate the organization of the North Atlantic Treaty and the proposed European Defense Community. It goes back to the date when the Soviet control initially confined to the Soviet Union itself, was extended to a vast area which now includes one-third of the human race.

I recall the pacts of mutual assistance which the Soviet Union made in 1939 with Estonia, Latvia, and Lithuania which the Soviet Foreign Minister at the time described in language which is almost exactly the same as the second preamble of the proposed new European treaty.

The pacts with Estonia, Latvia, and Lithuania, Mr. Molotov said on October 31, 1939, "strictly stipulate the inviolability of the sovereignty of signatory states and the principle of non-interference in each others affairs."

The second preamble to which I refer speaks of the "respect for the independence and sovereignty of states and non-interference in their internal affairs."

What quickly happened to Estonia, Latvia, and Lithuania has gone on and on and has, I suggest, created the division to which the Soviet Foreign Minister refers. It is a division between those who have been absorbed and the others who do not want to be absorbed.

Whether or not the Soviet proposal of today will obliterate that division in Europe is, as I say, something which is primarily to be considered by other states than the United States.

So far as the United States is concerned, we are determined that we will not be absorbed.

SOVIET PROPOSALS OF FEBRUARY 10

Draft General European Treaty

With a view to safeguarding peace and security and preventing aggression against any state in Europe, with a view to strengthening international cooperation in con-

formity with the principles of respect for the independence and sovereignty of states and of noninterference in their internal affairs,

Seeking to prevent the formation of groups of European states directed against other European states, which gives rise to friction and strained relations among nations, and to achieve concerted action by all European states in safeguarding collective security in Europe,

The states of which guided by the purposes and principles of the United Nations Charter, shall conclude a general European treaty on collective security in Europe containing the following basic provisions:

1. The treaty shall be open to all European states without regard as to their social systems, which recognize the purposes and assume the obligations arising out of the treaty.

Pending the establishment of a united, pacific, democratic German state, the German Democratic Republic and the German Federal Republic can be parties to the treaty enjoying equal rights. It is understood that after the unification of Germany the united German state can become a party to the treaty on the general terms.

The conclusion of the treaty on collective security in Europe shall not impair the jurisdiction of the Four Powers—the USSR, the USA, the United Kingdom and France—in regard to the German problem which is to be settled in the manner previously determined by the Four Powers.

2. The parties to the treaty undertake to refrain from any attacks against one another and also to refrain from having recourse to the threat or the use of force in their international relations and, in accordance with the United Nations Charter, to settle by peaceful means and in such a way as not to endanger international peace and security in Europe any dispute that may arise among themselves.

3. The parties to the treaty shall consult among themselves whenever, in the view of any one of them, there shall arise the danger of an armed attack in Europe against any one or more of the parties to the treaty, in order to take effective steps to remove the danger and to maintain security in Europe.

4. An armed attack in Europe against any one or more of the parties to the treaty by any state or group of states shall be considered an attack against all the parties. In case of such attack, each one of the parties, in the exercise of the right of individual or collective self-defense, shall assist the state or states which had been so attacked by all the means at its disposal, including the use of armed force, for the purpose of re-establishing and maintaining international peace and security in Europe.

5. The parties undertake jointly to discuss and determine at an early date the procedure under which assistance, including military assistance, shall be rendered by the parties to the treaty in case there should arise in Europe a situation requiring a collective effort for the re-establishment and maintenance of peace in Europe.

6. The parties shall immediately send to the Security Council of the United Nations, in conformity with the provisions of the United Nations Charter, information concerning the activities undertaken or in contemplation in the exercise of the right of self-defense or for the purpose of maintaining peace and security in Europe.

7. The parties undertake not to take part in any coalition or alliance or conclude any agreement the purposes of which would contradict the purposes of the treaty on purpose of maintaining peace and security in Europe.

8. For the purpose of holding the consultations among the parties provided for by the treaty and of considering the matters arising out of the problem of safeguarding security in Europe, the following shall be provided for:

(A) The holding of periodical and, whenever required, of special conferences at which each of the states shall be represented by a member of the government or by some other specially designated representative;

(B) The establishment of a permanent consultative political committee whose task shall be the drafting of

appropriate recommendations for the governments of the parties;

(C) The establishment of a military consultative body whose terms of reference shall be determined in due course.

9. Recognizing the special responsibility of the permanent members of the United Nations Security Council for the maintenance of international peace and security, the parties shall invite the Governments of the USA and the Chinese People's Republic to send their representatives to the bodies set up under the treaty, as observers.

10. The present treaty shall not impair in any way the obligations contained in the international treaties and agreements among the European states, the principles and purposes of which are in conformity with the principles and purposes of the present treaty.

11. The duration of the treaty shall be fifty years.

Auxiliary Proposal Regarding Germany

1. The Governments of France, the United Kingdom, the USA and the USSR undertake to continue their efforts to reach a satisfactory settlement of the German problem in accordance with the principle of maintaining peace and national freedom and also to observe the rights of all other European states interested in preventing any state from violating their national interests and security.

2. Pending the conclusion of a peace treaty with Germany and the reunification of Germany along democratic and peaceful lines the following measures shall be carried out:

(A) The occupation forces shall be withdrawn simultaneously from the territory of both Eastern and Western Germany within a period of six months with the exception of limited contingents left to perform protective functions arising out of the control tasks of the four powers: the USSR in regard to Eastern Germany and the USA, the United Kingdom and France in regard to Western Germany.

The strength of such contingents shall be agreed upon by the Governments of the four powers.

(B) The powers which at present are exercising occupation functions in Germany shall have the right to move in their forces in case the security in either part of Germany is threatened: the USSR in regard to Eastern Germany, the USA, the United Kingdom and France in regard to Western Germany.

(C) For the purpose of maintaining internal order and defense of frontiers the German Democratic Republic and the German Federal Republic shall have police units the strength and armaments of which shall be determined by agreement among the four powers.

Inspection groups comprising representatives of the four powers shall be formed in Eastern and Western Germany to supervise the implementation of this agreement.

3. In accordance with the above provisions the implementation of which shall assure the neutralization of Germany and the creation of conditions favorable to the settlement of the German problem in the interests of consolidating peace in Europe, the four powers shall take urgent steps to facilitate the conclusion of a treaty on collective security among the European states which shall provide for appropriate guarantees against aggression and the violation of peace in Europe. To this end the four powers have agreed to take the initiative of convening an appropriate conference of European states.

German Government Furnishes Hospital for Korea

Press release 65 dated February 12

Under the terms of an agreement signed at the Department of State on February 12 a German Red Cross hospital will shortly become part of the

U. N. Command medical complement and join in the humanitarian task of caring for the sick and wounded in war-torn Korea. Acting Secretary Walter Bedell Smith and Ambassador Heinz L. Krekeler, Chargé d'Affaires of the Federal Republic of Germany, signed the agreement providing for the establishment of a hospital whose facilities will be made available for the treatment of civilians and military personnel.

Dr. Konrad Adenauer, Chancellor and Minister of Foreign Affairs of the Federal Republic of Germany, offered the hospital to President Eisenhower in April 1953 during his visit to Washington. The President, acting for the U. S. Government in its capacity as the Unified Command in Korea pursuant to the U. N. resolution of July 7, 1950,¹ accepted the offer of the hospital.

The offer of the hospital unit by the Federal Republic of Germany is gratifying to the U. S. Government. Unfortunately, the Federal Republic of Germany is not a member of the United Nations. Nevertheless, by providing a Red Cross hospital, the Federal Republic of Germany has once again given expression to its belief in and support for the high ideals of the United Nations. This further evidence of solidarity with the objectives and principles of the international organization and with the efforts of the United Nations to rehabilitate Korea brings the German people in a closer bond with the people of the United States and of the free world. The additional medical services of the German Red Cross unit will fill a great and continuing need to restore the health and spirit of thousands of innocent victims of Communist aggression in Korea. The U. S. Government wholeheartedly supports the efforts of the Federal Republic of Germany in this significant humanitarian endeavor.

The hospital staff comprises some 80 civilian doctors, nurses, and technicians recruited in Germany by the German Red Cross, a recognized national aid society of the Federal Republic. Part of the staff has already arrived in Korea, and the full complement, together with hospital unit, is expected to be in Korea by mid-February. The hospital will have an initial capacity of 200 beds; its eventual planned capacity is 400. The supplies, services, and any additional equipment needed for its operation, which it is not feasible for the Federal Republic to provide, will be furnished by the United States. The Federal Republic will reimburse the United States for the cost of the assistance furnished to the hospital.

The text of the agreement follows:

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY CONCERNING ASSISTANCE TO BE RENDERED BY A GERMAN RED CROSS HOSPITAL IN KOREA

Whereas the Government of the United States of America, acting as the Unified Command pursuant to

¹ BULLETIN of July 17, 1950, p. 83.

the United Nations Security Council resolution of July 7, 1950, has designated the Commander of the United Nations forces in Korea (hereinafter referred to as the "Commander");

Whereas the Government of the Federal Republic of Germany desires to lend humanitarian assistance in Korea and therefore proposes the dispatch of a Red Cross hospital (hereinafter referred to as the "Hospital") and its staff of civilian personnel to Korea;

Whereas Article 27 of the Geneva Convention for the Amelioration of the Condition of the Wounded and Sick in Armed Forces in the Field of August 12, 1949 sets out procedures which the two Governments are willing to employ for the accomplishment of the humanitarian proposal of the Federal Republic of Germany;

The Government of the United States of America and the Government of the Federal Republic of Germany have entered into the present agreement:

Article I

1. The German Red Cross in the Federal Republic of Germany as a recognized national aid society shall, on the instructions and with the consent of the Government of the Federal Republic of Germany, furnish a Hospital for use in connection with the United Nations operations in Korea. The Hospital will devote its facilities to the care of civilians to the extent found feasible by the Commander.

2. The Government of the United States of America, acting as the Unified Command, gives its authorization to the rendering of assistance by the Hospital and shall request the Secretary General of the United Nations to give the notification to the adverse Party provided for in the second sentence of paragraph 2, Article 27 of the above-mentioned Geneva Convention.

Article II

1. The Hospital shall be placed under the control of the Commander. Its internal operations, administration, and disciplinary control shall be vested in the Head of the Hospital, subject to all orders, directives, and policies of the Commander. In the event of disagreement with such orders, directives, or policies, they shall be accepted and carried out as given, but formal protest may be presented subsequently.

2. The German personnel of the Hospital shall wear the uniform of the German Red Cross.

Article III

1. The Government of the United States of America shall assist the Hospital in the discharge of its functions.

2. The Government of the United States of America shall furnish the Hospital with available materials, supplies, services, and facilities, including transportation to and from Korea and such local services as are normally supplied by the Commander to like units, which the Hospital requires for its operations and which it is not feasible for the Government of the Federal Republic of Germany to furnish.

3. In protecting and caring for the Hospital, the Commander shall apply the same standards as he applies to like units under his jurisdiction, taking into account its humanitarian mission as a medical unit of a recognized national aid society.

4. The Commander, in so far as possible, will provide for unimpeded communications between the Hospital and the competent German authorities.

Article IV

1. The Government of the United States of America and the Government of the Federal Republic of Germany will maintain accounts of the materials, supplies, services, and facilities furnished by the Government of the United States of America to the Hospital.

2. The Government of the Federal Republic of Germany

shall reimburse the Government of the United States of America in United States dollars, upon the presentation of statements of account by the Government of the United States of America, for such materials, supplies, services, and facilities. Issues of materials and supplies to the Hospital will not operate to transfer title in advance of reimbursement.

3. The Governments of the United States of America and the Federal Republic of Germany shall make technical and administrative arrangements regarding the furnishing of materials, supplies, services, and facilities, and the accounting and reimbursement therefor.

4. Classified, specialized, or scarce items furnished to the Hospital by the Government of the United States of America will be returned upon request, at the termination of the activities of the Hospital under this Agreement, as a credit to the account of the Hospital.

If the Government of the Federal Republic of Germany determines that materials or supplies furnished by the Government of the United States of America are not desired for retention, such materials or supplies may be offered to the Government of the United States of America and, if accepted, their residual value as determined by the Government of the United States of America will be credited to the account of the Hospital.

5. Settlement of obligations for materials, supplies, services, and facilities received by the Hospital from other governments, whether directly or through the Commander, shall be a matter for consideration between the Government of the Federal Republic of Germany and such other governments.

Article V

The requirements of the Hospital for Korean currency will be supplied under arrangements approved by the Commander; provided, however, that settlement of any obligation of the Government of the Federal Republic of Germany for the use of such currency will be a matter for consideration between the Government of the Federal Republic of Germany and the competent authorities of Korea.

Article VI

1. Each of the parties to this Agreement agrees not to assert any claim against the other party for injury or death of its personnel, or for loss, damage, or destruction of its property or property of its personnel caused in Korea by personnel of the other party. For the purposes of this paragraph, personnel of the Government of the Federal Republic of Germany shall be defined as personnel of the Hospital and property of the Government of the Federal Republic of Germany shall include the property of the German Red Cross.

2. Claims of any other government or its nationals against the Government or nationals of the Federal Republic of Germany or vice versa shall be a matter for disposition between the Government of the Federal Republic of Germany and such other government or its nationals.

Article VII

The Government of the United States of America shall render to the Hospital such available assistance as may be necessary in connection with the termination of its activities and its reemployment.

Article VIII

This Agreement shall come into force upon the date of signature thereof, and shall apply to all materials, supplies, services, and facilities furnished or rendered before, on, or after that date, to all claims referred to in Article VI arising before, on, or after that date, and to all technical and administrative arrangements concluded pursuant to Article IV before, on, or after that date.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

DONE at Washington, this 12th day of February, 1954, in duplicate in the English and German languages, each text being equally authentic.

FOR THE GOVERNMENT OF THE UNITED STATES
OF AMERICA:

WALTER B. SMITH

FOR THE GOVERNMENT OF THE FEDERAL
REPUBLIC OF GERMANY:

HEINZ L. KREKELER

Fifth Anniversary of Exchange Program With West Germany

Press release 44 dated February 2

The arrival in New York of 16 West German government, labor, press, and community leaders on February 4 marks the fifth anniversary of the U.S. Government's Educational Exchange Program with Western Germany under which nearly 11,000 exchanges have taken place. The program is a part of the Department of State's exchange program with 70 countries of the free world whose purpose is to promote a better understanding of the United States in other countries and to increase mutual understanding between the people of the United States and the people of other countries.

The Government-financed exchange program with Germany began with the arrival in this country on February 4, 1949, of seven German Government officials to make a 6-month study of Federal, State, and local governments in this country. Today three of the members of that group occupy important German diplomatic posts abroad, while the other members are in important Federal or state positions. Dr. Heinrich Knappstein is German consul general in Chicago, Dr. Rolf May is an economic attaché in the German Diplomatic Mission in Washington, and Dr. Horst Pommerening is secretary of Embassy in the German Embassy in New Delhi, India. Dr. Karl Mommer is chairman of the Organization Committee of the West German Parliament and a member of the Consultative Assembly of the Council of Europe in Strasbourg. Miss Anna Beyer is now an official of the Federal Government in Bonn, while Dr. Friedrich Piemann and Dr. Gerhard Mueller hold important positions in the state governments of Bremen and Baden-Württemberg.

The group of Germans arriving in this country on the anniversary date includes two officers of taxpayers' associations in the German States of Hesse and Lower Saxony, four women's affairs secretaries of West German trade unions, an editor of the newspaper *Rheinische Post* in Düsseldorf, the editor of a photography magazine, and a team of eight community leaders from the South German industrial city of Villingen. The Villin-

gen team is the thirty-fifth such community team from Western Germany to visit the United States under this program since early 1951; it will make an intensive study of cooperative civic action programs carried out by the citizens of Waltham, Mass., and Eugene, Oreg.

The program has been extremely well received in Western Germany. A public opinion poll conducted in 1952 indicated that West Germans consider their fellow citizens who have visited this country as by far the most reliable source of information about the United States. On October 10, 1951, the West German Parliament expressed its support for the concept of educational exchange between Germany and the United States and made provision for a program under which each year more than 100 representative Americans have been invited to visit Germany at the expense of the German Government.

French Shippers Study U.S. Freight Handling

American methods of freight handling and transshipping of bulk cargoes between different kinds of carriers are being studied by eight French forwarding agents and shippers, the Foreign Operations Administration announced on January 20.

The study is sponsored by the FOA under its productivity and technical-assistance program. The French National Productivity Committee and the Ministry of Public Works and Transport, joint sponsors of the project with FOA, believe that the study of modern methods of terminal handling and freight transshipment in the United States can contribute to the more efficient distribution of defense materiel, consumer goods, and raw materials in France.

Following their arrival in this country on January 20, the French team is undertaking a 6-week study of the handling and transshipment of freight in terminals, port installations, airports and factory rail sidings, with particular emphasis on bulk items, perishable commodities, munitions, and heavy equipment. Their studies include liaison between railroads and factories, military depots, and other establishments; labor-management relations; warehousing, refrigeration, and fast handling of perishables; methods for expediting customs formalities and for minimizing bulk breaking at points of entry; and customs control procedures with regard to materials imported into the United States for industrial processing.

Through the facilities of the French Transport Coordination Committee, the findings of this study are expected to be used in an organized drive to introduce improved freight-handling techniques at all transshipment points throughout the

French transport system. The team's report will be disseminated by the French National Productivity Committee and is expected to reach all French industrial and commercial firms interested in the efficient shipment of goods at lower cost.

Fifth Anniversary of Mindszenty Imprisonment

White House press release dated February 4

The following letter from President Eisenhower was sent on February 1 to Frederic L. Vorbeck, Executive Chairman, United Catholic Organizations for the Freeing of Cardinal Mindszenty, Richmond Hill, N. Y.:

DEAR MR. VORBECK: I have your telegram of January twenty-third on behalf of the United Catholic Organizations for the Freeing of Cardinal Mindszenty. We in the free world have not forgotten that this is the fifth anniversary of Cardinal Mindszenty's trial and imprisonment by the Communist authorities in Hungary.

The unjust nature of the proceedings against Cardinal Mindszenty is, of course, well known to the American people. They regarded the attack upon him as a blow against religious freedom in Hungary and an unprincipled attempt to destroy spiritual and moral influences in that country.

The Communist assault upon religious liberty and leadership in Hungary has failed, however, to turn the Hungarian people from their faith in God. The plight of Cardinal Mindszenty and of other churchmen who have suffered at the hands of the Communists has not been forgotten. Their situation continues deeply to concern the people of Hungary and to evoke the sympathy of the free world. Despite the constraints of person and silence imposed on Cardinal Mindszenty and other church leaders by their persecutors, the spirit of these men has defied confinement by the totalitarian State. It has become, indeed, a symbol of faith and freedom for our times.

Sincerely,

DWIGHT D. EISENHOWER

Release of John Hvasta

Press release 61 dated February 10

Following is the text of a letter sent by Secretary Dulles to John Hvasta following Mr. Hvasta's release from Czechoslovakia:¹

FEBRUARY 6, 1954

Dear MR. HVASTA: I was delighted to hear yesterday that you were safely on your way home and

¹ For a statement regarding the return of Mr. Hvasta from imprisonment in Czechoslovakia, see BULLETIN of Feb. 15, 1954, p. 251.

February 22, 1954

want you to know how thankful I am that your long period of suffering has come to an end.

Your case has been followed closely by me and other officers of the Department of State, and it is encouraging to us to know that at long last our efforts in your behalf have borne some fruit. Above all, I hail your own efforts on behalf of your own freedom.

Sincerely yours,

JOHN FOSTER DULLES

President Asks Governors To Visit Korea

White House press release dated February 11

Following is the text of a letter dated February 9 from President Eisenhower to Dan Thornton, Governor of Colorado, who is chairman of the Governors' Conference 1954:

DEAR DAN: Our country, as you know, has an important stake in the fortunes and destiny of the Republic of Korea. Since the cessation of hostilities there last July, we have continued to improve its military position and have also assumed the task of helping to rebuild its war-torn economy. The results of these endeavors will profoundly affect our leadership and prestige in the Far East and indeed throughout the free world.

I am persuaded that a short visit to Korea by a select group of State executives who are constantly in direct touch with the American people would be highly beneficial. Their personal evaluation of our progress would provide the public with the essential knowledge and broad understanding to which it is entitled.

Accordingly, I would be deeply appreciative if you, together with other members of the Executive Committee of the Governors' Conference, could go to Korea on or about April 1 and, upon your return, give an appraisal of the situation there based on first-hand observation. Will you canvass your Committee and advise me which Governors wish to make the trip?

With kind regard,

Sincerely,

DWIGHT D. EISENHOWER

Letters of Credence

Costa Rica

The newly appointed Ambassador of Costa Rica, Antonio A. Facio, presented his credentials to the President on February 9. For the text of the Ambassador's remarks and the text of the President's reply, see Department of State press release 59 of February 9.

The Development of United States Policy in the Near East, South Asia, and Africa During 1953: Part I¹

by Harry N. Howard

I. SOME OLD PROBLEMS IN A NEW SETTING

Basic Problems and Considerations

During the course of the year 1953 the United States continued to be confronted with difficult and complicated problems in the vast area of the Near East, South Asia, and Africa. As in the past, whether directly or within the framework of the United Nations, the problems have ranged from broad and fundamental issues—such as the emergent nationalism of the peoples of this area, with their urge toward self-determination, self-government or independence; the economic development of underdeveloped territories; and questions of mutual security and assistance—to the special problems involved in North Africa, Anglo-Egyptian and Anglo-Iranian differences, the persistent Israeli-Arab controversies, the question of Kashmir, and a host of others. In one way or another, the peoples and states of this part of the world continued to be under pressure from the Soviet Union; the passing of Premier Stalin and the emergence of Premier Malenkov failed to alter the picture in any basic sense, whatever the change in tactics, as indicated in the Malenkov statement of August 8, 1953.

Although President Eisenhower made no specific reference to problems arising from the Near

East, South Asia, and Africa in his inaugural address of January 20, 1953, he did state:²

Conceiving the defense of freedom like freedom itself to be one and indivisible, we hold all continents and peoples in equal regard and honor. We reject any insinuation that one race or another, one people or another, is in any sense inferior or expendable.

There was a similar note in the State of the Union Address of February 2 in which the President declared that "the policy we embrace must be a coherent global policy. The freedom we cherish and defend in Europe and in the Americas is no different from the freedom that is imperiled in Asia."³ Dedicated to the security of the free world, the policy of the United States would "envision all peaceful methods and devices—except breaking faith with our friends." Nor would the United States "acquiesce in the enslavement of any people in order to purchase fancied gain for ourselves."

In his first report to the American people on foreign policy problems, on January 27,⁴ Secretary Dulles touched on the Near East, South Asia, and Africa, pointing out the great strategic and economic significance of the area and the troublesome issues which had come to the American doorstep and laying stress on the Soviet and Communist threat.

There were other indications of the American concern, especially with the basic problems in the Near and Middle East. When Prince Faisal, the Foreign Minister of Saudi Arabia, called on President Eisenhower on March 2,⁵ the President not

¹ For background see Harry N. Howard, "The Development of United States Policy in the Near East, 1945-1951," BULLETIN of Nov. 19, 1951, p. 809, and Nov. 26, 1951, p. 839 (also available as Department of State publication 4446), and "The Development of United States Policy in the Near East, South Asia, and Africa, 1951-1952," BULLETIN of Dec. 8, 1952, p. 891, and Dec. 15, 1952, p. 936 (also available as Department of State publication 4851); Henry A. Byroade, "U. S. Foreign Policy in the Middle East," BULLETIN of Dec. 15, 1952, p. 931. For a convenient review of various problems in the U. N. Security Council, see U. N. doc. S/3 175, Feb. 8, 1954.

² BULLETIN of Feb. 2, 1953, p. 169.

³ *Ibid.*, Feb. 9, 1953, p. 207.

⁴ *Ibid.*, p. 212.

⁵ *Ibid.*, Mar. 23, 1953, p. 440. Prince Faisal called on Secretary Dulles on the same day for a discussion of problems of mutual interest.

only expressed his "great pleasure at having the opportunity of receiving so distinguished a representative of a country with which the United States enjoys especially close relations," but expressed "his concern over some evidence that there had lately occurred a deterioration in relations between the Arab nations and the United States." He added that "it would be his firm purpose to seek to restore the spirit of confidence and trust which had previously characterized these relations and he hoped that the Arab leaders would be inspired by the same purpose." President Eisenhower alluded to "the many strong educational and cultural ties" between the Arab world and the United States and was confident that this was "a foundation of good will on which to build during the coming years to mutual advantage." The President also stressed his personal interest "in the welfare and progress of Saudi Arabia and the other States in the Near East."

Visit of Secretary Dulles

President Eisenhower was, indeed, "keenly aware of the importance of the Near East and South Asia." On March 9, Secretary Dulles announced that the President had asked him to go personally to the Near East and South Asia "to show our friendship for the Governments and peoples of these areas," and to obtain firsthand impressions of their problems. It was the first visit ever paid to the area by a Secretary of State. Accompanied by Mutual Security Director Harold E. Stassen, Assistant Secretary of State Henry A. Byroade, and others, Secretary Dulles visited Egypt, Israel, Jordan, Syria, Lebanon, Iraq, Saudi Arabia, Pakistan, India, Turkey, Greece, and Libya between May 9 and May 29.⁶

Mr. Dulles reported on his journey to the nation on June 1⁷ and declared it "high time that the United States Government paid more attention to the Near East and South Asia," indicating that the situation in that area of the world called for "urgent concern." The Secretary had arrived at a number of conclusions. He noted, in the first instance, that most of the peoples of this area were "deeply concerned about political independence for themselves and others." They were suspicious not only of the "colonial powers" but also of the United States because, it was thought, membership of the United States in NATO required it "to preserve or restore the old colonial interests of our allies." Mr. Dulles was convinced that American policy had become "unnecessarily ambiguous" in this matter, and he stressed that the Western Powers could "gain, rather than lose, from an orderly development of self-government."

⁶ *Ibid.*, Mar. 23, 1953, p. 431; Apr. 27, 1953, p. 605; May 18, 1953, p. 707.

⁷ *Ibid.*, June 15, 1953, p. 831.

Secondly, Mr. Dulles noted the popular demand for better standards of living, a demand which could no longer be ignored. He believed that the United States could usefully help in finding a solution of this problem "by contributing advanced technical knowledge about transport, communication, fertilization, and use of water for irrigation" under the Mutual Security Program.

Thirdly, Mr. Dulles believed "that the United States should seek to allay the deep resentment against it that has resulted from the creation of Israel." The Arab peoples, he said, were "afraid that the United States will back the new State of Israel in aggressive expansion"; they were "more fearful of Zionism than of communism." Israel, on the other hand, was fearful lest ultimately the Arabs might try to push it into the Mediterranean Sea.

In this connection, the Secretary made it clear that the United States still stood by the Tripartite Declaration of May 25, 1950, as to violations of frontiers or armistice lines. He also said that the leaders in Israel themselves "agreed with us that United States policies should be impartial so as to win not only the respect and regard of the Israeli but also of the Arab peoples," and that the United States would seek such policies. There was need for peace in the Middle East, achievement of which would require concessions on the part of both Israel and the Arab States, and the Secretary declared that the United States would not "hesitate by every appropriate means to use its influence to promote a step-by-step reduction of tension in the area and the conclusion of ultimate peace." On the other hand, he was now convinced that the establishment of a Middle East Defense Organization was a matter for the future, not an immediate possibility.

Basic Problems in the United Nations

As had been the case in previous years, the new Secretary-General of the United Nations, Dag Hammarskjöld, in his annual report on the work of the United Nations, made general reference to problems arising from areas like the Near East, South Asia, and Africa. Among other things, for example, he declared:⁸

The efforts of the governments to control and moderate those conflicts that constitute an immediate danger to world peace—and above all the "East-West" conflict—must command first attention in day-to-day decisions. However, side by side with those conflicts, or underlying them, two fundamental trends in human society are apparent which must determine the long-term direction of our efforts. One of the trends is directed towards wider social justice and equality for individuals. The other is directed towards equality and justice between nations, politically but also in the economic and social sense.

⁸ U.N. doc. A/2404. xi. xii.

There is the further general recognition of the vital importance, for sound development of the world community, of orderly progress of the nations towards a state of full economic development, self-government and independence. And, finally, international co-operation is recognized as an essential instrument for a guided development towards greater social justice within the nations.

There is a tendency to regard social justice and equality of political and economic rights among nations—or what may be called international equality—as being, on the whole, technical and special problems subordinated to the more urgent one of collective security. This attitude is understandable and correct, but only in a short-term perspective. International equality and justice are prerequisites of the domestic social development of all the peoples of the world and, together, they are the decisive factors if we are to build a world of peace and freedom. No system of collective security can be built with sufficient strength unless the underlying pressures are reduced—and those pressures can be mastered only to the extent that we succeed in meeting the demands for international justice or internal social justice.

The Secretary-General added that “the efforts of the United Nations to assist under-developed countries and its efforts to promote the observance of human rights should be recognized as contributions to world peace which are just as basic as its efforts in the field of collective security.”

II. SOME SPECIAL PROBLEMS

The Greek Problem

The United States was no longer confronted with significant Greek political questions in the General Assembly of the United Nations. Even that of the Greek children, which had been discussed in the spring of 1953, did not arise in the old forms.⁹

In his remarks before the General Assembly on September 21, Ambassador Alexis Kyrrou, head of the Greek delegation, touched on the Soviet “peace offensive” and noted the persistent refusal of the Soviet satellites to cooperate with the International Red Cross in the repatriation either of the Greek children or of other Greek nationals. His comments on the problem of Cyprus were also of interest; after reviewing the history of the problem, Mr. Kyrrou said:¹⁰

My Government . . . does not at this moment contemplate bringing the matter before this Organization, since it is convinced that the close relations that, so happily, exist between Greece and the United Kingdom make it incumbent upon us not to underestimate either the resources of diplomacy or the political foresight of our

⁹ For details see H. N. Howard, “Greek questions in the Seventh Session of the General Assembly”, *BULLETIN* of Aug. 24, 1953, p. 252; Aug. 31, 1953, p. 293. At the Eighth Session only \$5,000 was set aside for the expenses of the International Committee of the Red Cross and the League of Red Cross Societies in connection with the problem (U.N. doc. A/C.5/553). As part of the Soviet peace offensive, the Hungarian Red Cross announced on Oct. 6 that it was prepared to repatriate 600 Greek children to Greece.

¹⁰ U.N. doc. A/PV. 439, pp. 65–71, especially paragraph 18.

British friends. My Government definitely prefers the method of friendly bilateral discussion, since that is warranted by the very nature of our long-standing cordial relations with the United Kingdom and by the felicitous identity of purpose which has always animated the peoples of the two countries. It is our ardent hope that these views are shared by our friends in the United Kingdom and that they, also, consider the task that lies ahead as a worthy object on which to exert their statesmanship. The door will always be open for us to go before a judge, if the ordinary processes of friendly conversations prove to be of no avail.

The changed situation with respect to Greece was underlined on February 28, 1953, when Greece, Turkey, and Yugoslavia signed a Tripartite Pact providing, among other things, for political and military consultation, economic, technical, and cultural collaboration, and pacific settlement of any disputes in accordance with the United Nations Charter. The Soviet “peace offensive” did not seriously impress the members of the new Balkan Entente, despite the later exchanges of ambassadors between Greece and Yugoslavia, on the one hand, and the Soviet Union, on the other. As King Paul of Greece indicated during the visit which he and Queen Frederika made to the United States in October–December 1953, Greece was determined “that the unity of purpose and understanding that we are forming in Eastern Europe” should not be “exclusive” but should “become a message of hope and daring possibility to some of our neighbors.”¹¹

Early in November the three nations established a permanent secretariat to deal with matters of common interest, and on November 20 it was announced that agreement had been achieved among the respective general staffs “on all questions related to the common defense of the three friendly countries in the event of aggression.” The United States, of course, welcomed the Entente between its two NATO allies, Greece and Turkey, and Yugoslavia, as a contribution to international peace and security both in Southeastern Europe and in the Eastern Mediterranean.

Meanwhile, partly on the basis of the Soviet “peace offensive,” Bulgaria on June 22 substantially accepted the standing Greek proposal that a mixed commission consider Bulgarian-Greek frontier difficulties.¹² A meeting was held on July 10, and by September 17, the dispute with respect to the disputed islets of Alpha, Beta and Gamma in the Evros River appeared to be on the road toward settlement. Arrangements were made for discussions of the resumption of diplomatic relations between Greece and Bulgaria, following a conciliatory statement by Bulgarian Premier Chervenkov on September 8 and the reply

¹¹ For text of King Paul's remarks of Oct. 29, 1953, see *BULLETIN* of Nov. 16, 1953, p. 671. King Paul also addressed a special plenary session of the General Assembly on Nov. 3, 1953.

¹² The Albanian Government proposed a mixed commission in a communication of November 12 to the Secretary-General of the United Nations. Like Bulgaria, it had rejected similar proposals in 1949.

of the Greek Government on September 21. The situation along the northern frontiers had become normalized to such an extent that, on November 26, Ambassador Kyrrou requested the Secretary-General of the United Nations to consider reducing the number of United Nations observers in Greece from six to three and to continue their services through July 31, 1954; the budget requirement was estimated at \$49,000.¹³

On October 12 the United States and Greece signed an agreement providing for joint use of Greek air and naval bases within the framework of the North Atlantic Treaty.¹⁴ Two weeks later, on October 26, the Soviet Union protested to the Greek Government, charging it with participation in the alleged NATO plans for the preparation "of a new war" by making Greece "a foreign military base, contrary to the interests of maintaining peace and international security." The Soviet Government therefore, could not—

but draw the attention of the Greek Government to the fact that the conversion of the territory of Greece into a base for the armed forces of the aggressive North Atlantic Bloc creates a threat to peace and security in the Balkans, and the Greek Government thereby assumes grave responsibility for this step leading to an aggravation of the international situation.

The Bulgarian Government filed a similar protest on October 29, and the Albanian Government sent one to the Secretary-General of the United Nations on October 31. The Greek Government replied to the Soviet note on November 12 indicating that the Soviet position was quite unfounded, since the agreement with the United States did not change the situation in the Balkan region and was merely a supplement to the North Atlantic Treaty, which was based on the principles of collective security enshrined in the charter of the United Nations. The Greek note also stated that Greece, which was devoted to the ideal of peace and international cooperation, had learned through experience that constant vigilance was imperative and did not permit any slackening of defensive measures.

The Problem of the Turkish Straits in 1953

During his visit to Turkey on May 25–26, 1953, Secretary Dulles noted that the United States considered Turkey one of its "staunchest allies" and appreciated "the share of the Turkish people in measures to defend their great democracy." The American Congress and people, he said, were aware of Turkish efforts "to strengthen a free and independent Middle East," and admired the "heroic performance" of the Turkish Brigade in Korea. Turkish membership in NATO, like that of Greece, was welcomed, and the United States was

¹³ U. N. docs. A/CN. 7/SC. 1/52 and A/C. 5/570; see the Seventh Periodic Report of the United Nations Military Observers in Greece, dated Oct. 1, 1953 (U.N. doc. A/CN. 7/SC. 1/51).

¹⁴ For text see BULLETIN of Dec. 21, 1953, p. 863.

"happy to have this association with a nation which has the courage and discipline required to strengthen our common cause and act as a bulwark in the defense against communism."

The problem of the Turkish Straits, which had been dormant since the end of the "great debate" of October 1946,¹⁵ was raised once more with the Turkish Government by the Soviet Union on May 30, although there was nothing essentially new in the Soviet proposals. It was only a few days after the visit of Secretary Dulles that Foreign Minister Molotov handed the Turkish Ambassador in Moscow a formal communication concerning the Straits, indicating that the Soviet Government had been considering its relations with neighboring states and, among other matters, the status of Soviet-Turkish relations.

The Soviet note referred to the denunciation of the Soviet-Turkish treaty of December 17, 1925, and to the ensuing discussions, during which, on June 7, 1945, as a price for a new treaty of "friendship" similar to those being made with the states of Eastern and Southeastern Europe, the Soviet Union had asked for retrocession of the Kars-Ardahan district in eastern Anatolia. The note also pointed out that at that time the Soviet Union, in the interest of the "elimination of any threat to the security of the Soviet Union which might come from the direction of the Straits of the Bosphorus," had raised the problem of the Turkish Straits. The demands at the time had included (1) bases in the Straits, (2) the elaboration of a new convention of the Straits by the Black Sea Powers and (3) joint defense of the Straits by Turkey and the Soviet Union.

The Soviet Government now felt, however, that the Turkish Government had "been unduly grieved" in these matters, with consequent deleterious effects on Soviet-Turkish relations.¹⁶ As the Soviet note went on to say, the Armenian and Georgian S.S.R.s in the interests of preserving good neighborly relations and strengthening peace and security in the region, had now found it possible to renounce their claims on Turkish territory. Moreover, the Soviet Government had reviewed its policy as to the problem of the Turkish Straits and "deemed it possible to ensure the security of the Soviet Union in the area of the Straits under conditions which would be equally acceptable both to the Soviet Union and to Turkey." Consequently the Soviet Union now had "no territorial claims against Turkey."

The Turkish Government did not reply to the Soviet note until July 18, since it desired to give appropriate study to the problem. After repeat-

¹⁵ For background see H. N. Howard, *The Problem of the Turkish Straits*, Department of State publication 2752, pp. 36–45, 47–68.

¹⁶ The Soviet position in 1945–46 bore a close resemblance to that taken in the Hitler-Ribbentrop-Molotov discussions of Nov. 12–13, 1940; see H. N. Howard, "Germany, the Soviet Union and Turkey during World War II," BULLETIN of July 18, 1948, p. 63.

ing the text of the Soviet note, the Turkish reply acknowledged

with satisfaction the statement in which the USSR Government states that the USSR has no territorial claims on Turkey. The Turkish Government states that the interest in preserving good neighborly relations and strengthening peace and security to which the above statement refers, fully corresponds with interests which always have been shown and will continue to be shown by Turkey. The Turkish Government considers it necessary to underline, in connection with the above, that the question of the Black Sea Straits, as is known to the Soviet Government, is regulated by the provisions of the Montreux Convention.

Two days later on July 20, the Soviet Government presented another note on the Straits to Ambassador Hozar in order, evidently, to keep the subject alive. The new note had a special bearing on Turkish-American and Anglo-Turkish relations:¹⁷

The Turkish Ministry of Foreign Affairs has informed the Soviet Embassy in Ankara that between July 22-27, United States naval units, consisting of ten ships, including two cruisers, three destroyers, four minesweepers, and one landing craft, will visit the port of Istanbul.

Following this the Turkish Ministry of Foreign Affairs informed the Soviet Embassy that between July 27 and August 3, British naval vessels, consisting of 22 units, including three cruisers, four destroyers, six minesweepers and four landing vessels will visit the port of Istanbul.

In connection with this report of the Turkish Ministry of Foreign Affairs one cannot but draw attention to the fact that recently entry into ports in the Black Sea Straits by units of foreign navies, including large naval vessels, has become more frequent, and that the above-mentioned visits to the port of Istanbul by 10 American naval vessels and 22 British naval vessels can be considered as a kind of military demonstration.

The Soviet Government, therefore, hoped "to receive additional information" from Turkey with regard to the visit of these warships to Istanbul.

The Turkish Government replied to the Soviet note on July 24, merely stating that, under articles 14 and 17 of the Montreux Convention, there was full freedom for courtesy visits of warships, both as to tonnage and composition, and that it was "impossible to interpret the frequency of these visits as anything other than an auspicious manifestation of the bonds of friendship that exist between Turkey and the states whose naval units are invited to make the visits in question." This being the situation, and in view of the fact that, in accordance with the Montreux Convention, the Soviet Union had been notified of the visits, the Turkish Government was "astonished" that the Soviet Government had "found it necessary to request supplementary information of a nature that could be construed to be a sort of interference in a matter which international custom leaves to the discretion of the states concerned."

¹⁷ Under article 17 of the Montreux Convention a naval force of any tonnage or composition may pay a courtesy visit of limited duration to a port in the Straits at the invitation of the Turkish Government, but must leave by the same route by which it entered, unless it fulfills the conditions for passage laid down in articles 10, 14, and 18.

On July 31 the Soviet Government presented another note to Turkey, reiterating its communication of July 20 and reviewing the Turkish reply. In addition, the Soviet Government summarized the data as to the visits of foreign warships in the Straits since 1945, as follows:¹⁸

1950-----	33 warships, 197,000 tons displacement
1951-----	49 warships, 378,800 tons displacement
1952-----	69 warships, 587,727 tons displacement

During the first seven months of 1953, it was stated, sixty warships, of more than 300,000 tons, had visited in the region of the Straits. Thus, the Soviet Government indicated that in recent years the visits of "large formations of foreign warships to the Black Sea Straits" had considerably increased. These visits had reached such a high level that the Soviet Government felt its request for additional information from the Turkish Government could not be regarded as "unusual or unexpected." But the Turkish Government, in view of its July 24 note, did not consider a reply necessary.

Premier Malenkov's address before the Supreme Soviet of the Soviet Union on August 8 which touched, among other things, on problems of the Near and Middle East generally and on Soviet-Turkish relations in particular, is of interest in the light of the Soviet-Turkish exchange with respect to the Straits and of the Soviet "peace offensive." Premier Malenkov said:

In everybody's memory is the statement made by the Soviet Government to the Government of Turkey. This statement establishes essential prerequisites for the development of good-neighborly relations if, of course, the Turkish side is to show in its turn due efforts in this direction. The improvement of relations between Turkey and the Soviet Union would undoubtedly serve the interests of both sides and make an important contribution to the strengthening of security in the Black Sea area.

Premier Malenkov also noted the Soviet initiative in proposing the exchange of envoys, "after a long interval," with Yugoslavia and Greece, and expressed the hope that this would "lead to appropriate normalization of relations with both countries" and "produce useful results."

The Turkish Government, however, sensed that behind the Soviet moves was a desire to weaken the North Atlantic Treaty Organization and, in effect, to isolate the United States from its allies.¹⁹

¹⁸ For detailed figures concerning both commercial and war vessels see République Turque. Ministère des Affaires Etrangères. *Rapports Annuels sur le Mouvement des Navires à Travers les Détroits, 1946, ff.*

¹⁹ It is worthy of note that, in his address of September 21 in the U. N. General Assembly, Mr. Vyshinsky repeated all the familiar charges against "the aggressive North Atlantic bloc," and then stated: "The whole course of its policy from its earliest days proves that the Soviet Union seeks to strengthen good-neighbourly relations with other countries and that it has no territorial claims on any State, including its neighbors" (U. N. doc. A/PV.438, pp. 51-61, especially paragraph 25).

Turkey was elected to the Security Council on October 5, to succeed Greece.

On October 20 the American-constructed naval supply and repair base at the Mediterranean port of Iskenderon (Alexandretta), which had been constructed with funds from the Mutual Security Agency, was turned over to the Turkish Government. As President Bayar, of Turkey, who was to visit the United States in January 1954,²⁰ told the Grand National Assembly on November 1, 1953, Turkey was "working earnestly to make the North Atlantic Treaty Organization more effective," and hoped that the United Nations would be "freed from the obstacles which presently impede it." He added that "the close and cordial relations between Turkey and the United States" grew "stronger with each day that passes." Turkey was receiving "valuable aid from this powerful country, and great understanding in every field."

The Problem of Iran

The United States was also concerned during 1953 with the problems of Iran, involving (1) the country's difficult economic and financial position, (2) the normalization of Anglo-Iranian relations, following the break in October 1952, and (3) the oil controversy.

Even before President Eisenhower's inauguration, Prime Minister Mossadegh wrote to him, on January 9, 1953, asserting that, despite its friendship for Iran, the United States had pursued what appeared "to be a policy of supporting the British Government" and the Anglo-Iranian Oil Company. U. S. assistance had been given to the United Kingdom but withheld from Iran, and it seemed that the United States had given "at least some degree of support to the endeavors of the British to strangle Iran with a financial and economic blockade." Dr. Mossadegh then summarized the familiar Iranian position in the oil controversy and expressed the hope that the new administration would "give most careful consideration to the Iranian case so that Iran would be able to attain its just aspirations in a manner which will strengthen the cause of world peace and will renew confidence in the determination of the United States to support with all its power and prestige the principles of the charter of the United Nations." President-Elect Eisenhower responded the next day, indicating that his own impartiality had not been compromised in any way and that he hoped Iranian-American relations would not only be "completely free of any suspicion" but "characterized by confidence and trust inspired by frankness and friendliness."

Dr. Mossadegh communicated with President Eisenhower again on May 28, once more expressing his views on the controversy with the United Kingdom, and complaining that no change seemed "thus

far to have taken place in the position of the American Government." Among other things, he recalled that the Iranian Government had been prepared to pay compensation to the Anglo-Iranian Oil Company for its properties in Iran, in such amount as might be determined by the International Court of Justice, although he also noted that Iran had certain claims against the Company. The Prime Minister added that, as a result of actions taken both by the United Kingdom and by the Company, Iran was "now facing great economic and political difficulties," and declared that if the situation continued there might be serious consequences. Although Iran was grateful for American assistance, it had not been sufficient to solve Iranian problems and insure world peace, "which is the aim and ideal of the noble people and of the Government of the United States."

President Eisenhower, who replied on June 29, reiterated American friendship for Iran and expressed his hope that Iran would be able to maintain its independence and that the Iranian people would be "successful in realizing their national aspirations and in developing a contented and free nation which will contribute to world prosperity and peace." It was essentially because of that hope that the United States had made earnest efforts to assist in eliminating the Anglo-Iranian differences which had developed in the oil controversy. But the failure of Iran and the United Kingdom to reach agreement as to compensation had handicapped the United States in its efforts to help Iran. As President Eisenhower stated, there was—

a strong feeling in the United States, even among American citizens most sympathetic to Iran and friendly to the Iranian people, that it would not be fair to the American taxpayers for the United States Government to extend any considerable amount of economic aid to Iran so long as Iran could have access to funds derived from the sale of its oil and oil products if a reasonable agreement were reached with regard to compensation whereby the large-scale marketing of Iranian oil would be resumed. Similarly, many American citizens would be deeply opposed to the purchase by the United States Government of Iranian oil in the absence of an oil settlement.

The President also indicated that there was considerable American sentiment to the effect that mere compensation for losses of the physical assets of a firm which had been nationalized would not constitute a "reasonable settlement." Many believed that "the most practicable and the fairest means of settling the question of compensation" would be to refer it "to some neutral international body which could consider on the basis of merit all claims and counter-claims." The President was not attempting to advise the Iranian Government as to its best interests but was trying to explain why the United States was not "in a position to extend more aid to Iran or to purchase Iranian oil." But if Iran so desired, the United States hoped to be able "to continue to extend technical

²⁰ For text of his address to Congress, see BULLETIN of Feb. 15, 1954, p. 247.

assistance and military aid on a basis comparable to that given during the past year," and the President hoped that the Iranian Government would take such steps as were in its power "to prevent a further deterioration" of the dangerous situation in Iran.²¹

The situation did, in fact, become worse, and on July 28 Secretary Dulles indicated that the growing activities of the illegal Communist (Tudeh) Party in Iran, and their toleration by the Government, had caused the United States "great concern." These developments, he said, made it "more difficult for the United States to grant assistance to Iran."²² Dramatic events took place within a few weeks. The period of August 15-22 witnessed the Shah's decision to dismiss Dr. Mossadegh and appoint General Fazlollah Zahedi as Prime Minister; Mossadegh's coup d'état to counter this move; and the Shah's flight and triumphant return on August 22, after popular demonstrations and action by loyal troops established Zahedi in power and led to the arrest and subsequent trial of Mossadegh.

Prime Minister Zahedi appealed to President Eisenhower for assistance on August 26. After expressing gratitude for the assistance which the United States was already extending to his country, he pointed out that the treasury was empty, foreign exchange exhausted, and the national economy deteriorating. General Zahedi declared the intention of his Government not only to strengthen Iran internally but also to improve its international position. President Eisenhower on August 27 felicitated the Shah and expressed "continuing good wishes" for every success in his efforts to "promote the prosperity of your people and to preserve the independence of Iran." In a letter to General Zahedi, the President advised the Prime Minister of the continued American interest in the independence of Iran and the welfare of its people, noting that he had authorized U. S. Ambassador Loy Henderson to consult with regard to American aid programs in Iran. On September 1, Ambassador Henderson informed the Iranian Government that the United States was prepared to make available \$23,400,000 for technical and economic aid during the current fiscal year, and General Zahedi promised that Iran would "expedite the fulfillment of programs designed to advance the welfare of the people of Iran."²³

A few days later, on September 5, President Eisenhower made available \$45 million on an emergency basis, to be used for immediate economic assistance to Iran, in addition to existing American technical assistance and military pro-

grams in Iran. According to the White House announcement:²⁴

There is great need for immediate assistance to restore a measure of stability and establish a foundation for greater economic development and improvement in the living standards for all of the people of Iran. It is hoped that, with our assistance, there will be an increase in the internal stability of Iran which will allow the development of a healthy economy to which an early effective use of Iran's rich resources will contribute.

But it was also evident that Iran's economy, which depended to a large extent on the rehabilitation of the oil industry, had to be put in order. At the request of Secretary Dulles, Herbert Hoover, Jr., who had recently been appointed an adviser to the Secretary on worldwide petroleum affairs, left for Iran on October 15 to study the country's oil problems, in the interest of facilitating a solution of the Anglo-Iranian oil controversy.²⁵

When Secretary Dulles, on October 22, welcomed Nazrollah Entezam, who had been once more designated as the Ambassador of Iran to the United States, he noted that, under the leadership of the Shah and Premier Zahedi, Iran was²⁶—

recovering from the effects of the recent Communist-abetted disorders and is striving to overcome serious economic dislocations which have come about during the past 2 years. The United States, as a means of helping Iran carry out urgent measures to stabilize her economy, has extended \$45 million in emergency aid, in addition to that previously granted under the technical-cooperation program.

These measures constituted concrete evidence of American concern and friendship for Iran and of the desire of the United States that "Iran prosper as an independent country and a respected member of the family of free nations."

Meanwhile, the United Kingdom and Iran since October had been moving toward resuming diplomatic relations, and by December 5 the resumption of relations was in process. It was also indicated that negotiations would soon begin, with a view to reaching a solution of "the differences concerning oil which had recently caused the darkening of relations between them, and thus restore and strengthen their old friendship." In his address to the House of Commons on December 17, Prime Minister Churchill declared that "old friends" like Iran and the United Kingdom sometimes had "estrangements," but that it was "not right that these should last any longer than need be."

The Anglo-Egyptian Controversy

The United States, as in the recent past, was concerned with issues pertaining to Egypt during

²¹ For texts of these exchanges, see *ibid.*, July 20, 1953, p. 74.

²² *Ibid.*, Aug. 10, 1953, p. 178.

²³ For texts of these exchanges, see *ibid.*, of Sept. 14, 1953, p. 349 ff.

²⁴ *Ibid.*, p. 350.

²⁵ *Ibid.*, Oct. 26, 1953, p. 553.

²⁶ *Ibid.*, Nov. 2, 1953, p. 590.

1953, particularly with the problems involving the Anglo-Egyptian Sudan and the Suez Base. Secretary Dulles, in his survey of the problems of foreign policy on January 27, made particular note of the importance of the Suez Canal as a sea-way "which made it possible for Europe to be in communication with Asia" and referred to the difficulties between the United Kingdom and Egypt concerning its control and defense.²⁷

After long negotiations, the United Kingdom and Egypt, on February 12, 1953, reached an agreement concerning self-determination and self-government for the Sudan.²⁸ The agreement provided: (1) an early election for an all-Sudanese Parliament, supervised by a Mixed Electoral Commission composed of seven members (three Sudanese, one British, one Egyptian, one American, and, as Chairman, an Indian); (2) a transitional period of full self-government of not more than 3 years, in order to enable the Sudanese people to exercise their self-determination in a free and neutral atmosphere; (3) a special committee to complete the "Sudanization" of the Administration, the Police, the Sudan Defense Force, etc., within the three-year period; (4) election of a Constituent Assembly to decide the future status of the Sudan and to prepare a constitution; (5) a decision on the future of the Sudan (a) by the Constituent Assembly choosing to link the Sudan with Egypt in any form or (b) by the Constituent Assembly choosing complete independence.

Secretary Dulles congratulated Foreign Secretary Eden and Foreign Minister Mahmoud Fawzi on February 14 concerning the agreement as to the Sudan.²⁹ He believed that the settlement was one which the British, the Egyptian and the Sudanese peoples could view "with equal satisfaction as appropriate to their respective interests, and as providing a solid foundation for friendly, mutually beneficial future relationships." Moreover, the Secretary thought the accord might well be "the first step toward the establishment of more fruitful associations in an area of critical

importance to the security of the free world." In Mr. Dulles' view, the resolution of this difficult problem went far toward creating "an atmosphere of mutual understanding and trust in the Near East" which could "only result in great benefits for all the nations of the free world."

Foreign Secretary Eden declared on February 17 that "complete independence" included the right of the Sudanese to choose any form of association with any other state "on achieving self-determination." It may be noted that the elections, which were held in November 1953, gave a majority in the bicameral Sudanese Parliament to the pro-Egyptian National Unionist Party.

No solution was reached, however, in the Suez Base negotiations, which were renewed in April 1953, although the area of controversy appeared to be narrowed by the end of the year. Prime Minister Churchill, in a statement in the House of Commons on December 17, noted that formal negotiations with Egypt had ceased, although informal discussions had not. Among other things, he said:

Naturally, we do not wish to keep indefinitely 80,000 men, at a cost of perhaps over £50,000,000 [\$140,000,000] a year, discharging a duty which has largely fallen on us and us alone of safeguarding the interests of the free nations in the Middle East and preserving the international waterway, the Suez Canal. . . .

We remain convinced that it is in our interest, military and financial, to procure the redeployment of our forces in North Africa and the Middle East.

Our action will be based on a careful study of the merits of the problem and the solution will not be dictated either by the violence of our foreign enemies or the pressure of some of our best friends.

Meanwhile, on July 23, the first anniversary of Egypt's Liberation Day, President Eisenhower sent a message to President Naguib, in which he expressed the view that Egypt now had "the opportunity of fulfilling its destiny of strengthening the peace and stability of the Middle East and thereby contributing to the welfare of mankind."³⁰

• Mr. Howard, author of the above article, is United Nations Adviser for the Bureau of Near Eastern, South Asian, and African Affairs. Part II of his article, dealing with Palestine, North Africa, and Kashmir, will appear in a subsequent issue of the Bulletin.

³⁰ *Ibid.*, Aug. 10, 1953, p. 178.

²⁷ *Ibid.*, Feb. 9, 1953, p. 214.

²⁸ For text, see British Information Service, *The Sudan, 1899-1953* (I. D. 1179, New York, 1953), 54-57.

²⁹ BULLETIN of Feb. 23, 1953, p. 305. Warwick Perkins was designated to serve as the U.S. representative on the Mixed Electoral Commission for the Anglo-Egyptian Sudan and departed for his post on Mar. 19, 1953 (*ibid.*, Apr. 6, 1953, p. 493).

Mission to the Middle East

by Eric Johnston

*Special Representative of the President*¹

I am most appreciative of the opportunity of talking to you about an undertaking of the utmost importance to the people and the nations of the Middle East. Since last October I have been engaged in this undertaking as the representative of the President of the United States. In a very literal sense, I am a man with a mission; and it is that mission which I would like to explain and discuss with you fellow-friends of the Middle East.

In this forum, I know there is no need to dwell on the background of affairs against which the aims of my mission must be viewed and evaluated. All of you know the recent history of the region; all of you are cognizant of the tensions and conflicts which have produced instability and uncertainty in the area; and all of you believe, I am sure, that economic and social progress for the peoples of the region will be neither swift nor sure so long as tensions and uncertainty exist.

The task given to me by the President and the Secretary of State is intended to strike at the root of some of the main causes of this tension and uncertainty. My mission has a limited, specific, and clear-cut purpose: To further a constructive proposal for developing the physical and economic resources of the Jordan Valley for the benefit of the people of four countries which have an interest in the waters of that ancient stream and in the lands through which it flows. These countries are Jordan, Syria, Lebanon, and Israel.

As you know, I have already made one visit to those countries, and it is my intention to make another in the near future. On the first visit, I am happy to say, I was able to enlist their interest in the suggestions I advanced on behalf of the President and the Secretary of State, and I am deeply gratified by the serious consideration that has been given them since then. While I recognize that many difficulties lie ahead, I am looking forward to my second visit with real hope that the governments of the countries concerned will perceive the advantages and benefits inherent in

our proposal and find it possible to cooperate.

The Jordan Valley project—and I do not want to call it a “plan”—is embodied in a report prepared for the United Nations by an eminent firm of American engineers, which envisions the construction of irrigation and power works throughout the valley of the Jordan from the headwaters of the river in Lebanon, Syria, and Israel to the Dead Sea. If the conception of comprehensive valley development embodied in this report were to become reality, it would bring the valley of the Jordan literally into bloom, provide an economic base on the land for hundreds of thousands of people, start a flow of electric energy into areas where it is now totally unknown, and contribute in many other ways to the economic and social advancement of the peoples of the countries concerned.

On the face of it, our support of these proposals represents a considered step by the Government of the United States, a step calculated to further a constructive and forward-looking solution of some of the problems with which the people of the region are confronted. I am perfectly confident that the basic conception is a sound one, a fair one, and a reasonable one. I believe that it offers a solid basis for real progress in an atmosphere relieved of some of the tensions and conflicts which impede progress in the area at the present time.

Now there are some in this country, and some in the Middle East, who profess to see in our proposals regarding the Jordan Valley certain Machiavellian motivations. Perhaps this was only to be expected in view of the tense political situation which exists today between the Arab States and the State of Israel. I am certain, however, that any fair and considered analysis of the proposal itself would quickly dispel all such fears.

U. S. Interest in the Area

There is no need to emphasize to a group as well informed as you the vital interest of the

¹ Remarks made before the American Friends of the Middle East at New York City on Jan. 28.

United States in the Middle East. We are engaged, as we all know, in a historic struggle with forces dedicated to an ideology wholly at variance with our own. In this historic contest, which goes on every minute of every day in this year of 1954, we are employing the strategy of trying to create stability, order, and peaceful progress as the bulwarks of freedom. Our opponents employ the strategy of creating chaos, conflict, and political confusion. In the Middle East, as everywhere, our objective is to do all that we can to establish conditions which will permit the nations of that region to forge ahead toward new horizons of social and economic well-being. And it is in the context of this global policy that we are supporting the proposal to harness and use the waters of the Jordan for the benefit of man.

Developing the resources of the Jordan Valley as a comprehensive unified project seems to me the only logical approach to a serious practical problem. The Jordan River system, including the main trunk and its tributaries, is an international stream. Four sovereign states have legitimate interests in some of the water and some of the lands of the river basin. Even in the most favorable circumstances—even if these four states were on the best of terms with one another—it seems obvious that the use of these waters would have to be worked out with due regard to their respective rights and interests. And in the political climate which pervades the Middle East today, it would seem to be more than ever imperative to approach the problem of the river's development internationally. Unilateral efforts to harness the stream can only be expected to create further tension. They could easily lead to open conflict. Unless some mutually acceptable development plan can be elaborated, the situation could readily become one in which whoever can take the water will get it, and I need not amplify the consequences which might ensue in that event.

Analyzing the Proposal

Very briefly, I would like to explain the principal elements of this proposal, as I laid it before the Jordan Valley states in October and November. First, however, I should like to make it clear to you, as I have made it clear to them, that no one is being offered a hard and fast proposition on a take-it-or-leave-it basis. During my conversations with the leaders of the states concerned, I made it abundantly clear that their suggestions for modification of our basic conception would be most welcome. Indeed, I urged them to put forward any suggestions they might feel to be necessary in their own national interests. I assured them that the United States will give all such suggestions the most careful consideration so long as they do not do violence to the fundamental idea of a comprehensive, unified approach to the valley's development.

There is an important difference, of course, between proposals for modification of a basic program and proposals involving a totally new engineering conception or political approach. I hope most sincerely that this distinction will be clear to the governments of the states concerned. The development program embodied in the U.N. report was conceived by engineers and not by politicians; it offers a practical basis on which the life-giving waters of the Jordan can be used for the greatest benefit of the most people—and that is the goal we are seeking to accomplish. If any or all of the interested states can recommend a change here or a change there to better accomplish this objective, such changes can, of course, be incorporated in an ultimate plan. At the same time, there is a "hard core" to the plan, which is its purpose of equitable use of the available resources for the general welfare of the people of the area. It will be understood that "counterplans" based on totally new conceptions and calculated to accomplish political ends would not be compatible with this principle.

I say this quite candidly because I believe that the proposal for unified development of the Jordan Valley should be considered outside the context of political issues and without prejudice to their ultimate solution. These issues must be resolved, and as speedily as possible, of course, if there is to be real peace in the area. But the United States Government, which has made a straightforward and constructive offer of assistance with respect to the Jordan Valley, cannot be expected to abandon the basic premise on which the original proposal was made, namely, the most efficient and economical use of the waters of the Jordan. I feel confident that the statesmen of the Middle East, both in Israel and in the Arab States, will clearly recognize the importance of elaborating an acceptable program on a technical and practical level and will put forward constructive suggestions within the framework of basic principles laid before them several months ago.

For our own part, we have gone to considerable lengths, I feel, to relieve this Jordan Valley project of any implications of a political character. We have, for example, suggested a formula for acceptance of a unified plan which would obviate the necessity of formal agreement between any of the states concerned. This formula envisages acceptance unilaterally by each of the four countries through separate declarations of acceptance filed with the United Nations or some other neutral and impartial body.

Suggestion for International "Water-Master"

Similarly, we have offered in advance a suggestion for eventual control of the water system of the valley by an international authority, a board or commissioner or some similar instrumentality, which would remove exclusive control of the waters

of the system from any of the four states and would assure the equitable division of the water in accordance with accepted engineering principles. My discussions in the region have not yet reached the point of specifics with respect to this international "water-master," so to speak; but there would seem to be no reason why such a mechanism could not in due course be created, assuming acceptance of a unified plan by the four valley states.

The development program projected in the report which I discussed on my first visit to the region 3 months ago is based on a very considerable body of engineering data contained in authoritative reports compiled by a number of different experts over a period of years. In substance, it contemplates the storage of down-valley irrigation water in Lake Tiberias and its controlled release through a system of irrigation canals along both sides of the main stream. Two headwater reservoirs, partly for storage and partly for power, would be constructed—one on the Hasbani within the borders of Lebanon; the other on the Yarmouk, in Jordan.

Thus harnessed and controlled, the waters of the Jordan system would provide steady year-round irrigation for a total of some 234,000 acres of land not now irrigated in Jordan, Israel, and Syria—104,000 acres in Israel, 122,500 acres in Jordan, and approximately 7,500 acres in Syria. Of the total waters available, it would allocate about 426 million cubic meters a year to Israel, about 829 million cubic meters a year to Jordan, and about 50 million a year to Syria. Some 38,000 kilowatts of electric energy would be produced through a power installation on the Yarmouk, and some 27,000 kilowatts at another plant near Tel Hai in Israel.

These figures are, of course, preliminary estimates and subject to revision as more precise data become available as the result of on-the-ground studies. They do, however, serve to indicate an approximate proportionate allocation of the available waters of the Jordan basin among the states involved. The apparent disparity between the amounts of water proposed for Israel and Jordan and the area of land to be irrigated in each of these countries is explained by the fact that the Jordanian lands are lower in the valley, requiring a much higher per-acre application of water than the area to be irrigated in Israel. Much of the land in Jordan can produce crops all year round.

Quite aside from the obvious physical and economic benefits to be derived from a comprehensive valley development program, the United States is interested in easing the tensions which contribute to regional uncertainty and impede economic progress in the area. The project we have put forward would, in my opinion, have a very considerable effect in this respect.

For one thing, it would provide a basis for deciding who is entitled to how much of the water of the Jordan, and unless this is decided with

some degree of mutual agreement it is all too easy to foresee the possibility of protracted bickering and litigation, and even the danger of open hostility. The waters of the Jordan can be a constructive blessing to the peoples of the valley; they can also be the cause of destructive strife. We are proposing no more than a reasonable effort to divide these waters equitably among the countries which have a claim on them, in order that the lands of the valley may be developed in an orderly and peaceful way.

We would anticipate, of course, that a substantial area of the land to be irrigated in Jordan would be allotted to Arab refugees from Palestine. About a third of these unfortunate and unhappy people could be given a solid economic base, a new lease on life, on lands watered through the project we have outlined. Certainly this opens a possibility it would be unfair to these homeless people to ignore. It offers them the dignity of a livelihood on the land for the continuing indignity of international relief and represents a beginning toward a permanent solution of one of the most vexing of the region's problems.

In conclusion, let me say that I do not underestimate the possibility that this program will be rejected by some or all of the Jordan Valley states. I hope sincerely that they will accept it, for it represents, in my opinion, a clear manifestation of our sincere desire to be of help. I hope that the states concerned will let us help in this way to ease the dangerous situation which exists in the area and to promote the peaceful and orderly development which their people so earnestly desire. It is in that hope that I will pursue my mission.

Turkey—Land of Progress and Promise

by Samuel W. Anderson¹

The official visit to the United States by the President of Turkey has already provoked a journalistic tide of favorable comment on the strides Turkey has made in recent years toward higher standards of living and increased political freedom for all of its citizens. President Celal Bayar is a living symbol of a nation of people determined to obtain the full benefits of modern scientific production and the maximum degree of individual liberty. The sweeping economic and political changes which have taken place during the past 4 years reflect the dynamic nature of Turkish society and the energy and determination of the Turkish people.

During this period we have observed three basic but interrelated types of change in Turkey which

¹ Statement issued by the Department of Commerce on Jan. 25. Mr. Anderson is Assistant Secretary of Commerce for International Affairs.

have altered the traditional patterns of domestic life and have increased the country's strength and prestige in the sphere of international affairs. The first was a basic shift from a single-party political system to a more flexible and representative multiparty system. This shift was accomplished by peaceful means of free and honest elections and has had the desired effect of greatly increasing the interest of the average Turkish citizen in his own political, economic, and social well-being.

The second major change has occurred in the military strength of Turkey. The defense forces of Turkey have been substantially modernized and by unanimous agreement of all parties concerned have been integrated with the forces of other free nations in the North Atlantic Treaty Organization. The effectiveness of the nation's fighting men has been tested in Korea where they performed with great distinction in the collective action of the free world to halt Communist aggression. The third but not the least important change has been taking place in the structure, direction, and velocity of the Turkish economy.

The nature and significance of these economic changes are unique and merit careful attention by free-world observers. At the time of the establishment of the Turkish Republic the amount of domestic private capital available for investment was insignificant in terms of the country's needs and the then Turkish Government entertained a deep-seated distrust of foreign capital both public and private. Under these circumstances the government adopted a policy of statism, and it is important to note that it did so out of what it believed to be economic necessity and not because the leaders were imbued with any of the various brands of doctrinaire socialism in vogue at that time in Europe and Asia. The government instituted a nationalization program which effected the transfer of ownership and control of most industrial and service enterprises from foreign interests to the national government.

This move was followed by the establishment of a number of state-owned banks which were given specific tasks of organizing and operating mining ventures and industrial establishments. The range of the latter ran all the way from textile and glass plants to cement factories and finally to a steel industry. Although during the first 25 years of the Republic's life some private enterprise coexisted with government owned and operated industries, the government was the dominant force in the economy. It had primary responsibility for determining how much of the national income should be saved and for directing these savings into specific investments. Fortunately this great centralized economic power of the state was devoid of the diabolical political trappings inherent in orthodox Fascist and Communist systems then in force in neighboring countries, and consequently the Turkish State did not exercise total politico-economic controls comparable to those used by the

Italian State under Mussolini or the Russian State under Stalin.

This capacity of the Turks for facing economic reality and for resisting the temptations of any of the extreme economic, political, and social doctrines of totalitarian reformers has played no small part in the recent and rapid swing of the economy away from statism and toward private and competitive enterprise. After a quarter of a century of statism the Turks are reexamining their economic policies and programs with the view to reshaping the country's economic and financial institutions and practices to meet today's circumstances, which differ drastically from those that prevailed at the time the policy of statism was adopted. The Turks have found statism to be far too inflexible to satisfy the country's expanding and changing economic needs, and they are not permitting any abstract economic doctrine to hinder them from making the necessary and desirable changes.

The first positive legislative action taken to speed up the shift from public to private enterprise occurred in 1951. This helped to define the fields in which private business could participate without fear of government competition. The government announced its intent gradually to liquidate its holdings in those industrial fields to be developed by private capital. Up to the present time this action has been more effective in encouraging new industries to enter fields previously occupied by or earmarked for development by government than in effecting actual transfers of ownership and control of existing industrial plants from government to private hands. This is quite understandable since many of the existing government-owned plants are burdened with obsolete equipment and are uneconomically located from either a production or a marketing standpoint.

Legislation enacted in early 1954 goes several steps beyond the 1951 measures especially on the vitally important matter of offering positive inducements to prospective private investors both domestic and foreign. It contains reasonably liberal provisions for private foreign investors especially on such matters as withdrawal from the country of profits and capital—both original and reinvested earnings, and equitable, nondiscriminatory tax treatment.² Another and closely related

² Under the new law, enacted on Jan. 18, repatriation of capital is no longer subject to a minimum time limit. Formerly, cash outlay capital could not be repatriated until after 3 years from the date of entry, while capital in the form of equipment and nonphysical assets had to remain in Turkey for 5 years before repatriation was permitted.

There now are no restrictions on the transfer of profits, interests, and dividends as compared with the former annual limitation of 10 percent of the capital base. The principal of, and interest on, foreign loans are also freely transferable and are no longer subject to the restrictions previously imposed.

(Footnote cont'd on p. 286)

bill passed at the same session of the Turkish Grand National Assembly provides for the exploration of Turkey's prospective petroleum resources by private foreign oil companies on concession terms more favorable than those offered by many other countries. Legislative action of this type demonstrates clearly that the trend of the Turkish economy is in the direction of private ownership and increasing competition. This trend in the long run should result in increased efficiency, a more balanced pattern of economic growth and an improvement in Turkey's foreign-exchange position which is temporarily but decidedly on the deficit side of the ledger.

The chief motivating reasons behind the moves to attract private foreign capital are quite clear, especially to the Turks. The country is engaged in an economic development program which must, if it is to be kept moving at its present lively pace, obtain a considerable amount of private capital and technical know-how from abroad. The Turks are aware that private capital available in the world market today is not unlimited and that in order to get their share of it they will have to shop in the same private capital markets as the Canadians, the South Africans, the Latin Americans, and many others. As a result they must be prepared to be a high bidder. They know that they will have to knock at a lot of doors and that they will have to present more than their good intentions and a few official documents containing legislative assurances.

They know too that the mere assurance that they are actively working to correct certain self-recognized deficiencies is not enough. The long-run soundness of Turkey must be demonstrated and on this point they have supreme confidence. They not only point with justifiable pride to their demonstrated accomplishments of the last 3 years, but emphasize their future probabilities and possibilities.

Their pride of accomplishment in recent years is derived, in part, from the following: since 1950 they have moved from a net importer of grain to an exporter of 1.5 million tons in 1953 and a

(² Continued from p. 285)

The new law also allows the Ministry of Finance to guarantee approved foreign loans up to an aggregate amount of 1 billion Turkish liras (\$357 million at official rate of exchange). Investments made since August 1951 are automatically covered by the new law.

As under the previous law, foreign investments must be approved by a Government-appointed committee before being eligible for the provisions of the investment law.

An English translation of the new law has been published as No. 514 (January 1954) of the World Trade Series, Business Information Service. Copies may be obtained at 5 cents each from the U. S. Department of Commerce, Washington 25, D. C., or from the Department's field offices.

probable exporter of over 2 million tons in 1954; during the past 5 years they have tripled the nation's mileage of all-weather highways and have lowered internal highway transportation costs by more than 60 percent; they have pushed three items—grain, cotton, and nonferrous metals—above their traditional foreign exchange leader, tobacco; and with the assistance of the International Bank for Reconstruction and Development, they developed an industrial development bank which has, in a period of less than 3 short years, channeled substantial amounts of domestic savings into private industrial development schemes which will increase domestic production of consumers' goods and thereby reduce demands for foreign imports in these fields; they have made modest progress in their effort to meet internationally recognized standards and grades for their export products; and they have achieved broad distribution of their rapidly increasing national production which is a factor of no little importance in creating a growing market for both domestically produced and imported consumers' goods.

Turkish hopes are high for the successful development of a petroleum industry within her borders, and even a modest realization of these hopes would result in a significant change in the country's import pattern, since over half of Turkey's dollar earnings are now being used for petroleum purchases. Although the rise in production of agricultural commodities has been more spectacular than the increases in production of nonferrous metals, the latter is impressive from its volume standpoint as well as from its capacity to command scarce foreign currencies, especially dollars. A number of developments now underway or nearing completion in the fields of mining, power, transportation, agriculture, and industry should provide the Turkish economy with much additional strength and should contribute significantly to the relief of short-term debt problems of the type now taxing Turkish finances almost to the limit.

The Turks realize that an early judgment by outside businessmen of Turkey's ability to cope satisfactorily with the important problem of its short-term credit arrearages will be made since proof of this ability could be established within 6 months provided that proper measures for doing so were instituted promptly and implemented vigorously. It should be noted, in passing, that Turkey's long-term funded foreign debt has been kept at an easily manageable level in terms of the country's present level of foreign-exchange earnings.

Despite the serious problems which confront the Turks in this period of drastic change and rapid development, the Turkish economy has already produced unexpected achievements, and the long-run prospects for its increased strength and continued growth appear bright.

Brotherhood in the World of Today

by Deputy Under Secretary Murphy¹

Nobody, I am sure, could receive without emotion the honor conferred upon me this evening by the National Conference of Christians and Jews. However little I may merit this distinction, I am deeply grateful to your President and the members.

Through the years since the founding of the Conference in 1928, there has been constant reminder of the good works of your members and friends in the promotion of higher standards in our social order. Perhaps in no period of world history has there been greater need for men and women of your stamp to do battle with the forces of prejudice and discrimination in the wilderness of totalitarianism. Your group has been a haven of refuge and an inspiration for the weary and oppressed.

Naturally, as a worker in the field of foreign affairs, my interest was attracted by the founding in Europe of World Brotherhood in 1950. I can testify to its effectiveness in the promotion of your high ideals.

In my case, my appreciation is no less deep because I know that, in naming me for this award, you were thinking not of me as a person but rather as a representative of the men and women in our American Foreign Service, who in their way are working to build a world of brotherhood.

I would like your permission to accept this award in their name. My long years in the Service give me the right, I think, to act for them and to speak for them whenever opportunity offers.

Throughout my career I have had many contacts with American groups, business people, professionals, those of the armed services. Nowhere have I seen greater dedication to duty and the best interests of our country and the American people than in the United States Foreign Service.

These people, let me add, need your confidence. They need the encouragement of knowing the American people, their people, are back of them.

¹Address made before the National Conference of Christians and Jews at New York, N. Y., on Feb. 4 (press release 51). The address followed the presentation of the Brotherhood Award to Mr. Murphy by the Conference.

They need, as do we all, an occasional word of appreciation.

Let me assure you that your country's representatives abroad today yield to none in competence and in loyalty to American ideals. By encouraging them, you make a practical contribution to the success of the work they are doing. And there has never been a time when it was more important that they be in a position to give their best.

The foreign policy of the United States is decided in Washington. The duty of applying that policy to local situations abroad devolves upon the Foreign Service. It is a tremendous responsibility at any time, but especially so today.

Recent years have witnessed important developments in the position of the United States in world affairs. Today our country is the acknowledged leader of the free world with all the responsibilities such a role implies.

The objectives of our policies, foreign and domestic, remain constant—the welfare and security of the people of the United States. But more and more, over the years, we have found our welfare and security related to factors outside our own borders. Necessity has broadened our interests as well as our field of activity.

I think it was Voltaire who once said that, as disconcerting as it might be on occasion, the brotherhood of man was an inescapable fact. The brotherhood of man has ceased to be regarded merely as an ideal. Today it is accepted by sensible men as an inescapable reality. The foreign policies of the United States are based upon that reality.

Adjustment of Foreign Policy

Naturally in this changing world, all nations periodically must reexamine their policies. The United States is no exception. Policies, and the programs designed to put them into effect, must be adjusted from time to time to meet new situations. Such a reexamination of the policies of the

United States was recently announced by our able Secretary of State.

Reviewing the past decade or two, I think it is agreed that many of the policies followed had been sound. However, they were in the main emergency measures, taken to meet situations imposed by forces outside our borders. The "new look" at our policies has resulted in policies and programs that are geared for the long pull.

In harmony with the times, we are planning for "an entire historical era." The United States must be strong not only for today but for tomorrow, and for all tomorrows of the foreseeable future.

We must be strong not alone for ourselves but for those who, today, look to us for leadership in building their own strength and maintaining their own security.

American policy recognizes our need for allies and friends. As in the past, it places its hope for ultimate peace in the world in the united strength and the determination of the free peoples. That strength is being increased and that unity is being reinforced. Our policies are shaped to that end.

Admittedly, freedom frequently involves differences of opinion. It does between people. And it does between nations. Sometimes these are rather violent differences. Complete uniformity is not to be expected from free peoples.

When these differences arise between our friends and allies the United States hopes, and is planning, to maintain a position of impartial friendship for both. By way of illustration, we are not taking sides in disputes between Israel and the Arab States, between India and Pakistan, or in any other situation where differences in the free world arise. We think—we feel we know—that we can be of more service to our friends, and to the cause of peace, if we do remain impartial.

I have spoken of the free world, our friends and allies in that world.

Current Division of World

It is the unspeakable tragedy of our times that we must recognize a division of the world today. We refuse to recognize such a division as permanent. We believe that time and the fundamentals are working for us. Among the fundamentals on our side are the richness—spiritual, intellectual, and material—that freedom alone can produce.

It was in this spirit that our Secretary of State went to the meeting in Berlin of the Four Powers of the grand alliance of World War II. If you have been following the developments of that conference you cannot fail to have been impressed by the strength that spirit has given us and our allies.

The objective of the Soviets in Berlin is obvious. It is to weaken the unity of the free world, striking particularly at the free nations of Europe and the United States. Soviet efforts, to date, however, have met a stone wall. The United States,

the United Kingdom, and France are demonstrating in Berlin their unity is unimpaired.

In Asia the Communist imperialism failed in its greatest gamble to date, the aggression against Korea. Our "new" policy contains powerful deterrents against other Koreas. No would-be aggressor hereafter can take such a gamble without the gravest risk.

The United States has twice of late mentioned Indochina as illustrating this transition in policy. Specifically we have said that, if there is open Red Chinese aggression in that area, there will be "grave consequences which might not be confined to Indochina." We feel this may provide the best form of insurance against aggression.

Today, living in a world where emergencies inevitably develop and must be met, we are determined to formulate our policy lines on a long time basis which we hope in the future will avoid resort to the improvisation of billions for foreign economic aid and overnight commitments to fight land battles in Asia or elsewhere. We are aware of the implacable Soviet plans to weaken us by overextension in efforts which in the words of Lenin are beyond our strength so that we may come to practical bankruptcy. It has become obvious to all of us that the ultimate Soviet hope is that by their policy of attrition they will gain the final victory over us when the moment comes for Stalin's objective of the decisive blow. We know that it is not sound economics or effective foreign policy to support permanently other countries or to become committed to military expenditures so great that they will lead inevitably to national bankruptcy.

Our Government is seeking a national security system at a maximum deterrent and at a bearable cost, and our purpose is to make our relations with our allies more effective and less costly. We are placing today more reliance on deterrent power and less on local defensive power and are determined now to deter aggression by responding vigorously at places and with means of our own choosing. As long as American basic policy concepts were unclear and undecided, it was impossible for our Joint Chiefs of Staff to be selective in building our military power. That enabled an enemy thus to choose the time and place and method of warfare, while we met aggression by local opposition. In other words, putting out bonfires wherever they happen required us to fight anywhere whether in Asia, the Near East, or Europe, with old weapons or with new weapons.

Now the President and the National Security Council have taken the necessary basic policy decisions and these depend largely upon our great capacity to retaliate instantly by means and at places of our own choosing. Thus our defense establishment can shape our military apparatus to fit our policy instead of torturing itself in an effort to be ready to meet any choice of an enemy. That

means that a selection of military methods is possible instead of a multiplication of means and this results in more basic security at lower cost.

The "new look" that our President and his administration have taken at our foreign policy recognizes what is fundamental to all our foreign policies—a desire to build free world strength and

unity as the basis of American welfare and security. In so doing I am sure that our Government can depend on the National Conference of Christians and Jews and the World Brotherhood in promoting policies which are so fundamental and so much in harmony with the purposes of your organization.

Building a Secure Community

by Thruston B. Morton

Assistant Secretary for Congressional Relations¹

It is good to be here and to have this chance to discuss with you the problems the United States faces in this troubled world.

And no one will deny—it is a sorely troubled world. Wherever one turns, North or South, East or West, there is difficulty and anxiety. The United States itself is not exempt. We are, to be sure, prosperous as, perhaps, never before. But we are, nevertheless, anxious, uneasy.

It is ironic that such a situation should exist. Now, when men have at hand the tools to solve many of their age-old problems. Now, when the goal of a good life seems attainable. Never in history have men so much right to hope. Yet, the climate is one of fear and unease.

Hope, to be sure, persists. But, to quote Francis Bacon, "Hope is a good breakfast but an ill supper." Men in many places are saying that it is time some of these hopes were realized.

These hopes . . . what are they?

For many the primary hope is peace—a permanent peace. The world has had enough of war—hot or cold. It wants freedom from war and the fear of war. It wants a peace that will give it the opportunity to put to work these new tools.

Reasonable men know that we must have peace to build this brave new world. Conversely they know that the peace they want is possible only in such a world.

To many men, however, the picture is not so clear. The hungry, the homeless, and the sick—to such men peace has little meaning. Life has little meaning. As a U.N. delegate remarked, to his people four sandwiches had more meaning than four freedoms. This man happened to be an

Asian but he spoke for hundreds of millions all over the world.

We must therefore deal with problems such as hunger if we wish peace. This is not altruism. It is a matter of enlightened self-interest. Our freedom, freedom everywhere, will be secure only in a world where hope deferred does not drive men to desperation.

Obviously, the United States, alone, cannot settle all the problems of the world. No single nation can. The tasks before us require the united efforts of all peace-loving people. We, therefore, must work to extend this unity of effort.

A few years ago, an eminent historian (Dr. Arthur Schlesinger, Sr.) was asked what had been the outstanding development of the first 50 years of the 20th century. He said it was the reluctant acceptance by the United States of world leadership. He emphasized the "reluctant."

I might take exception to the emphasis, but fundamentally he was right. Certainly United States world leadership has tremendous historical significance.

And what is perhaps more significant, we had the maturity and the courage to face the facts. We recognized that our preeminent strength made our leadership historically inevitable.

Principle of Voluntary Cooperation

How we handle that responsibility is, of course, a matter of great importance. We are using our position to lead and not to dominate. Among the non-Communist nations we have sought, and are seeking, allies and friends—not satellites. The master-and-slave relationship is a Communist technique that is anathema to free peoples.

¹ Address made before the National Convention of Ruritan National at Washington, D. C., on Jan. 26 (press release 36).

As Secretary of State Dulles recently put it:

We do not want weak or subservient allies. Our friends and allies are dependable just because they are unwilling to be anyone's satellites.

This principle of voluntary cooperation contrasts sharply with Communist practice. The Kremlin relies on force and punishes deviation. I believe that this reliance on force, this insistence on absolute conformity, is a symptom of the basic weakness of the Soviet system. It is a confession that only through compulsion can the Kremlin maintain its control over the subject peoples.

At this point, a question might arise. How is that a weakness? As long as the Kremlin can apply force, they can continue to rule. The fact is that, over the long pull, the effectiveness of force diminishes. After a time, the use of force must be increased to obtain the same results. Inevitably a saturation point is reached. Then the regime starts to slip.

Comforting though this prospect is, it may never be realized if we sit idly by just waiting for it to happen. Fundamentally, the factor that requires the use of force by the Communist leaders is the contrast between the vitality and productiveness of a free society and the sterility of totalitarian rule. The contrast exerts a constant pressure on the Communist structure. But the extent and amount of that pressure depends on us. The more effectively and the more vigorously the free nations demonstrate the superiority of their system over the Communist structure of slavery, the sooner we can expect the saturation point to be reached.

Let me repeat—this is a long-term prospect. It may be 10 years, 20 or perhaps 30 years before it develops. In the meantime we have our work cut out for us.

First of all, we have had to look to our defenses. We have had to build, and should continue to build, our own strength, military and economic. And we have helped our associates build theirs.

It is an effort that must be continued. However, there has been a significant shift in the course to be pursued in reaching our security objectives.

In the postwar period, when it was demonstrated that the Soviet policy was clearly aggressive and imperialistic, the free nations took steps designed to frustrate the aims of the Kremlin. World War II had left the economies of the nations of Western Europe in a state bordering on collapse—a condition which left them perilously vulnerable to Communist takeover.

The U.S. response to this threat was a program of economic reconstruction whereby the Western nations were enabled to get back on their feet.

Greek-Turkish aid blocked a Soviet thrust into the Mediterranean.

The North Atlantic Treaty provided an essential political framework for a Western coalition.

The military-aid program helped materially in the development of an integrated force-in-being

which serves the dual purpose of discouraging a Communist aggression and being ready to deal with an attack should one occur.

With United States initiative, the United Nations drove back the assault of the Communists on the Republic of Korea. The United States also extended material aid to the French Union forces in Indochina.

These and other similar measures have been effective. But essentially they were a response to a Soviet Communist threat. In other words, the Kremlin had the initiative. The Red leaders were picking the time, the place, and the means, and the free nations were limited to counteraction. The strategic disadvantage of this situation is obvious.

The Economic Burden

But there was another risk involved which was less apparent: an economic risk. One tactic of the Red campaign against the West was to weaken the individual nations by overextending them. If the democracies could be drawn into assuming an excessive burden in the way of military expenditures, their economic strength might be sapped to a point where, as Stalin once put it, "they would be ready for the decisive blow."

The security measures which have been adopted by this country and its allies to meet the Communist threat were essential—and very costly. Their indefinite continuance risked overtaking the strength of the free nations and invited grave economic, political, and social consequences.

The remedy can be simply described—maximum strength at a cost within our capacity to pay. A policy which would produce this remedy would guarantee to the free nations the necessary stamina to maintain long-range safeguards for their security.

It is all very well to describe such a policy, but the policy itself only becomes possible and practical in proper circumstances. First of all, when a nation or nations face a real emergency, there must be action. There is no time to go shopping around, to experiment to see if less expensive or less painful methods wouldn't serve as well.

Secondly, while a voluntary association of nations may prosper temporarily with one of the group shouldering a disproportionate share of the burden, such a relationship does not have a long life expectancy. In the long run, this unequal relationship destroys the mutual respect and co-operation upon which the partnership is built.

For a number of years after World War II, the United States and the free world were compelled to meet a succession of emergencies. This country bore a heavy proportion of the burden. To a great degree this was unavoidable. But we were expending great amounts of time and energy putting out fires with little left over to devote for the fire prevention which would prevent the blazes from starting.

That is no longer the case. And in saying this I do not mean that the emergency is necessarily less, or that the threat of Communist imperialism has decreased. Rather it is that our standing capacity to deal with such contingencies as may develop has greatly improved.

Likewise, we, as a nation, find that the economic aid which in the past was essential to the continuance of the coalition of free countries can be confined to special and temporary situations.

Initiative Now With Free Nations

In addition, I should note another development. I mentioned earlier that our actions were of the emergency nature, taken in response to Soviet moves. There has been a change here, as well—a basic change. The initiative has now passed from the Kremlin to the free nations. This is a shift of great importance.

From the outset, one objective of the policy followed by the free community has been security. Such forces as have been raised are security forces—that is, they are intended solely for defensive use. Although the Soviet Union, in its propaganda, has tried to depict the European Army, for example, as an aggressive force, the facts are that it is literally impossible to use it as such.

This army and the North Atlantic community under which it is organized, like other applications of the principle of collective security, function as deterrents. And in case of a future attack, they are a defense-in-being. However, in planning policy for the future, emphasis has been shifted to the deterrent factor.

On-the-spot defense, everywhere, in strength sufficient to deal with any eventuality would overtax the capacity of the free community. Local defenses there must be, and they are vital, but their value as a deterrent can only be brought to the needed level if they are reinforced with an overall retaliatory power which is decisive.

The significance of this approach should not be underestimated. No longer can a would-be aggressor spread his maps in front of him and select the theater, the type and the scope of the action. He can no longer calculate his risk. This is so because the free community is now placed to reply—not as the aggressor dictates—but at a time, and a place, and in a fashion of its own choosing. We believe that this should effectively discourage an aggressor.

In a manner of speaking, we are still ready to fight such fires as may break out, but we are devoting more energy to fire prevention.

It is perhaps easiest to follow the application of this approach in the Far East. At the conclusion of the truce, the members of the United Nations Command served notice on the Chinese Communists that if they broke the truce and renewed their aggression, it might not be possible to limit hostilities to the Korean Peninsula. The Peiping re-

gime was also advised that aggressive intervention in Indochina would "have grave consequences which might not be confined to Indochina."

In so stating, we were not rattling the sabre. We were not making threats. We simply announced what would be required of us if the Communists persisted in their attempt to conquer southeast Asia. We also felt it important that the Red strategists be fully apprised of our intentions so that these intentions could enter into their calculations. We have reason to think that the Communists would not have attacked the Republic of Korea if they had foreseen large-scale resistance. Another such miscalculation could be even more tragic. We are determined to do our part to prevent it.

I believe that we can safely assume that this policy has had its effect on Red China's attitude toward its neighbors to the southeast. Such moves as they may have had under consideration must now be reexamined.

They may have felt that the Korean aggression brought the Communist cause an advantage because it tied down substantial elements of the free world's military forces where the situation was tactically adverse. If that used to be so it certainly is not so now. We have no intention of tying down our forces in Korea, as the recently announced plan to withdraw troops from the peninsula demonstrates. Yet this withdrawal plan can in no way be interpreted as a weakening of our determination to protect the integrity of the Republic of Korea. It is simply evidence that flexibility has been restored to our position in the Pacific.

My remarks so far may seem to deal preponderantly with military policy and military strength. Perhaps that is because military power and military policy figure importantly in a modern foreign policy. This will continue to be so as long as the Kremlin places such great emphasis on strength. It is futile to negotiate with the Soviet Union unless you have strength sufficient to command respect.

There is a story which you may have heard before which illustrates this. An underling is reputed to have informed Stalin of the Vatican's opposition to a certain Soviet move. Stalin is supposed to have shrugged and asked: "The Pope? How many divisions has he got?"

While that conversation may never have taken place, it describes the Kremlin's attitude.

For example, the improvement in the military position of the free nations contributed to the signing of an honorable truce in Korea. It is also a factor in our successful insistence on the principle of nonforcible repatriation of prisoners of war. And if we succeed in convening a political conference to discuss the establishment of a unified and independent Korea—in some part we can thank the power that we have sacrificed so much to create.

The Defense of Europe

And if we turn to Europe, we can see demonstrated there the effectiveness of the policy which is based on a pooling of the strength of the North Atlantic nations. And here again we can note that the pace of the buildup, both military and economic, has been adapted to the long pull. The goals set at the spring meeting of NATO husband the economic strength of the Western Powers rather than draining it.

However well gaited the NATO program, there are still outstanding several problems which will have to be resolved before the strong and integrated framework of nations can become a reality. We have recognized, from the beginning, that a strong and secure European community must include Germany. Certainly, it would be foolish to talk of an effective Western defense which did not include that country. It would be equally foolish to discuss a defense of Germany which did not involve Germans.

There are and have been two major obstacles to bringing this about. One is the persistent Soviet refusal to end the unnatural division of Germany and the establishment of a puppet Communist state in East Germany. The second is the reluctance of France to agree to the formation of German military units and to accept a reconstituted Germany as a full and equal partner in the proposed community.

French leaders and French voters are keenly aware of being overrun by German troops three times in less than a century—and the third time is still fresh in the memory of most Frenchmen. There is a fear that a rearmed West Germany might try unification by force. And to many French, there is even greater hazard in a rearmed Germany combined with the Soviet Union than there is in the Red armies alone.

A solution to this difficulty was offered by the French leaders themselves. They proposed a European Defense Community, to be ratified by the member states, to which member nations would transfer certain powers to direct a unified army drawn from all members of the community. Through the Community, West German troops could be enlisted without creating a German national army.

Because it was a commonsense solution to a major problem of European defense, and because it was a step toward European unification, EDC has had strong American backing. West Germany has ratified the Community. So has the Netherlands. Belgium is moving in that direction. But paradoxically, France, the originator, has dragged its feet.

There is a practical as well as a moral limit to the influence this country can exert to bring EDC into being. We can persuade. We can urge. But more we cannot do, even if we would. France's decision must develop out of the free choice of her leaders and her citizens. We must simply pin

our faith on the fundamental commonsense of the French people. For as Secretary Dulles has said:

Until the goals of EDC are achieved, NATO and indeed future peace are in jeopardy.

Efforts Toward German Unification

The question of the division of Germany and the reconstitution of that country as a free and independent nation is now being discussed by the Foreign Ministers of Britain and France, Secretary of State Dulles, and the Soviet Foreign Minister. This meeting, the first such since 1949, came about as a result of an exchange of notes between the three Western Powers and the Soviet Union—an exchange in which the Soviet Union came off second best.

For their own evil ends, the leaders of the Soviet Union have stubbornly blocked German unification. At the same time, they have gone to considerable lengths to mask their opposition to German unity and to attribute the continued division of the country to the West. On the numerous occasions when Britain, France, and the United States proposed a meeting to settle the question of Germany, the Soviet Union appeared to concur. But the Kremlin's reply invariably posed conditions known to be unacceptable to the West.

Last summer, after the East German uprisings, the three Western Powers again elected to put the question of a German settlement up to the Kremlin.² The reply from Moscow followed the usual pattern. Britain, France, and the United States pursued the matter.

The diplomatic exchange that followed totaled four notes and four responses.³ The Kremlin's third answer rejected flatly the proposed four-power conference on Germany and an Austrian treaty. Instead the Kremlin suggested a five-power meeting including Red China which would deal generally with world tensions and presumably relegate matters pertaining to Germany and Austria to secondary status.

This proposal effectively tore the camouflage from the Soviet position. It was well known in Moscow, as well as elsewhere, that a five-power meeting with a general agenda was unacceptable to the West. Thus the Kremlin proposal was transparent. It added up to a flat refusal to discuss a German settlement.

World reaction to the Soviet stand was immediate and the impact was felt in the Kremlin. The Soviet leaders felt compelled to reverse their field on the matter of procedure. The final note in the series of four agreed to a four-power

² For text of note, see BULLETIN of July 27, 1953, p. 107.

³ *Ibid.*, Sept. 14, 1953, p. 351; Oct. 26, 1953, p. 547; Nov. 30, 1953, p. 745; Dec. 21, 1953, p. 852; and Jan. 11, 1954, p. 43.

conference—to discuss Germany. When we remember the importance that the Communists attach to procedure, this was a tactical retreat of no little significance. But beyond this, there was little cause for optimism. There was no change in the substantive position put forward by the Kremlin. Soviet conditions for a European settlement, for example, called for a breakup of NATO, junking EDC, and a complete U.S. withdrawal from Europe.

With this as the background to the current meetings in Berlin, it is easy to understand why we do not expect clear sailing and a quick German settlement. Nevertheless, we believe that the con-

ference will produce results—even though they may seem minor when compared to the major purpose of the talks.

But in this matter, as in others, we should not scorn small gains. We may only move ahead inches at a time. The important thing is that we keep moving.

We must realize that the winning of peace will probably be made up of a series of small advances. We must recognize that this end-objective will take time, and will demand steady, unrelenting effort.

It will help if we keep ever in mind that the game is very much worth the candle.

Trade Relations and Japanese Economy

by Frank A. Waring¹

Japan today has 87 million people living in an area slightly smaller than that of the State of California. It is difficult to imagine, but if the Philippines were as densely settled, it would have 68 million people, or more than three times your present population. Californians would number 93.5 million, or 60 percent of the entire population of the United States. And the population of Japan is growing at the rate of 1.2 million each year.

Only one-seventh of the area of Japan can be cultivated. There are, in fact, 15 million acres of farmland and 6 million farm families. The average landholding, therefore, is 2.5 acres, or about one hectare, per family. Indeed, on the basis of arable land, the density of population is 4,000 to the square mile.

Only because land is so scarce, Japanese farmers, by intensive cultivation and application of fertilizer, manage to extract from the soil maximum yields. In rice, for example, production averages 80 bushels per acre, compared with an average of 50 bushels in the United States, 25 bushels in the Philippines, and a little more than 20 bushels in India.

Despite such high yields, however, Japan customarily must import 20 percent of its food supply at an annual cost of \$600 million, which is equivalent to about 50 percent of the value of its current

exports. Unfortunately, the figure will be higher this year. Because of a very cool summer, the harvest of rice last fall was about 20 percent below the previous yield, entailing a loss of 2 million tons. As a result Japan must import at least an additional 1.5 million tons of assorted grains (rice, wheat, and barley) at a probable cost of about \$200 million. And this loss has been augmented by disastrous floods which stripped rice paddies of top soil, inflicting property damage estimated at \$500 million.

But food is not the only essential import for Japan, which nature endowed with very few natural resources. Nearly all of the raw materials for its industries must be procured largely, if not entirely, from abroad. These include iron ore, coking coal, petroleum, bauxite, copper, lumber, wood pulp, raw cotton, and wool. Such products are essential to maintain the Japanese economy internally and make possible the production of goods for export to pay for the necessary food and raw materials obtained from foreign countries. It is fair to say that Japan's chief export, its chief contribution to foreign trade in exchange for the products it requires, is its labor and its technical skills. It is also true that Japan must export to live.

New Pattern of Export Trade

Today that country faces a particularly difficult problem in foreign trade. Before the war, two

¹Address made before the Rotary Club at Manila on Jan. 14. Mr. Waring is Counselor of Embassy for Economic Affairs at Tokyo.

of its major export products were raw silk and cotton textiles. But exports of raw silk are now sharply reduced because of the competition encountered from synthetic fibers, and the sales of cotton textiles, although substantial, have declined because many countries, such as India and Pakistan, which formerly were substantial markets, have developed cotton textile industries of their own. In consequence, Japan must alter the pattern of its export trade, placing more emphasis on the products of heavy industry, including steel, ships, machinery and equipment of all kinds, cement, and chemical fertilizer. Yet, in the marketing abroad of many of these products, Japan has had little experience, and, for a number of them, its prices are not competitive with similar articles produced in Western Europe and the United States.

As a result of these conditions, Japan's foreign sales have not kept pace with import requirements. In 1952 its imports exceeded its exports by \$756 million. In 1953 exports remained relatively steady at about \$1,200 million, but imports increased to \$2,300 million; in consequence, the import balance for last year rose to \$1,100 million.

Japan could not afford such excesses in purchases abroad if it did not earn additional dollars from special sources, dollars received in exchange for goods and services purchased on behalf of United States forces. The United States extends no economic aid to Japan in the form of grants. It does purchase some of the supplies it requires from Japanese sources; it awards contracts for services, including the repair of its vehicles and equipment, and thus it employs Japanese labor. In addition, individual members of the Armed Forces make personal expenditures on their own behalf which recently have amounted, in the aggregate, to the astounding sum of \$1 million a day. In effect, special dollar receipts are the equivalent of additional exports plus a very substantial tourist trade. In the last 2 years they totaled more than \$800 million annually.

In 1952 these special dollars were sufficient to offset Japan's import balance. In 1953 they were not, and Japan will lose at least \$200 millions, or 20 percent of its foreign currency reserves. Obviously this trend cannot long continue. Yet in 1954 Japan appears likely again to have an adverse position in its balance of payments, unless exports are expanded or imports curtailed; and the reduction of imports will be difficult because of the necessity to import increased quantities of food to offset the diminished supply of rice.

Japan's Importance as a World Market

These are facts which cannot be denied, or ignored. Another fact is that Japan is a large and significant world market. Imports valued at \$2,300 million cannot be overlooked. Japan is an important market for the United States; it is

our largest purchaser of raw cotton, wheat, and rice to mention only a few of the most significant commodities. It is important to Canada as a buyer of wheat, to Australia for wool, and to the Philippines for iron ore, other minerals, salt, abaca, timber, and lumber. Indeed, it is my opinion that many products of the Philippines could find a ready and expanding market in Japan, including perhaps, if produced in sufficient quantities and at competitive prices, rice and sugar.

Let us look for a moment at the trade of Japan with some of its important suppliers. The United States sells to Japan products valued at about \$750 million and buys \$250 million. Of course, currently, special dollar receipts more than offset this imbalance in trade, but it cannot be anticipated that such receipts will be a permanent part of Japanese economy. Instead they constitute a temporary, although most helpful, windfall. Canadian sales to Japan amount to about \$100 million and purchases to \$18 million. Australian sales will approximate \$116 million and purchases \$4 million. The Philippines sells products valued at about \$47 million and buys \$18 million. In view of these trade data, it seems pertinent to suggest that, if we wish to continue to sell, we must also buy.

I would even go further and propose, for our mutual consideration, that economic stability and well-being in the Pacific cannot be assured unless Japan is a participant. If Japan cannot purchase the raw materials it requires, the cotton farmers in the United States will suffer; so will the wool growers of Australia, the wheat producers of Canada, and the miners in the Philippines. I submit that a prosperous Japan will contribute to our own prosperity.

To achieve this goal, there are many things which Japan must do for itself, things, in fact, which only Japan can do. These might possibly include an increase in the efficiency of its production to insure a reduction in costs so that its products may become competitive and firm adherence to sound fiscal, financial, and trade policies and practices. But beyond these things, there are matters over which Japan has no control, for example, the failure to receive most-favored-nation treatment for its products in some foreign markets and the maintenance abroad of excessive tariff barriers on products which it desires to export. In our own self-interest, to assure the maintenance of our export volume, it seems necessary that Japan be given an opportunity to develop a balanced foreign trade. No one nation alone can provide the solution, even if it should be willing to try. Instead, the problem would seem to require the cooperation of all the nations of the free world, especially those with a major interest in economic stability in the Pacific.

And speaking of cooperation, Japan, although it is not yet a member of the United Nations, is

giving its full endorsement and support to the principles upon which that organization was founded. In restricting trade with Communist China, which the United Nations has branded as an aggressor, Japan maintains a higher level of export controls than any of the nations of Western Europe. This it does despite its need for expanding exports.

Philippine-U. S. Interests In Japanese Trade

In this entire matter, it seems to me, the interests of the Philippines and the United States are identical. Our economies and our trade are vitally influenced by the march of events in the Pacific. We are both unalterably opposed to the expansion of aggressive communism in the Far East or elsewhere. We both would deprive the Iron Curtain countries of the tools for aggression by restricting the export of strategic materials. Yet we actively seek to expand our trade with the free nations of the world on a mutually profitable basis. We desire for ourselves and for others mounting purchasing power and improved levels of living with all that implies. In the struggle to attain these objectives, Japan will inevitably play a part. If, by its own efforts and with the cooperation of others, it can develop a self-supporting economy, its contribution to the general welfare will certainly be enhanced.

The current members of the Government of Japan are not those who led it down the road to disaster in 1941 and caused so much pain and suffering in this part of the world. The physical havoc then created I have had some occasion to evaluate and understand. No, many of the present Japanese officials were themselves jailed by the military clique who then controlled the country and are now thoroughly discredited. I am confident that the Japanese today have no aggressive design or intent. Instead, they wish to live in peace and trade with profit. This desire is also yours and mine. If it is to be accomplished, we cannot overlook the potential contribution of 87 million people or neglect the important opportunity for cooperative endeavor which can be mutually beneficial.

Transfer of Custody of POW's in Korea Outlined

Following is the text of a statement made by Gen. Julius K. Lacey, senior member of the U.N. Command, Military Armistice Commission, at a meeting of the Commission on January 23:

As your side knows the Neutral Nations Repatriation Commission avoided its obligation to release the prisoners of war to civilian status at 0001 hours 23 January. In his letter of 14 January the chairman, Neutral Nations Repatriation Com-

mission, requested the two sides to accept restoration of custody of the prisoners of war beginning at 0900 hours 20 January.¹ The commander of our side replied:²

I reiterate the unalterable conviction of the United Nations Command that the Neutral Nations Repatriation Commission has a solemn obligation to fulfill its responsibilities and release to civilian status at 23 January all prisoners of war who have refused repatriation. Failure of the Neutral Nations Repatriation Commission to fulfill this obligation would be a deliberate avoidance of an important element of the Terms of Reference and the United Nations Command could not concur in an action constituting default by the Neutral Nations Repatriation Commission.

The United Nations Command cannot accept custody of these prisoners of war in accordance with the terms of your proposal.

The commander of our side pointed out that in view of the desire, expressed by the chairman, Neutral Nations Command, with respect to custody of those prisoners of war formerly detained by our side, the United Nations Command would of necessity have to be prepared to arrange for their accommodation, and disposition in the event that such restoration of custody was undertaken.

Despite the expressed unwillingness of the United Nations Command to accept their custody under the existing conditions of default by the Neutral Nations Repatriation Commission, that commission decided to return the prisoners of war. Consequently, the United Nations Command was forced, for humanitarian reasons, to accept the prisoners of war and provide for their accommodation and disposition.

Our side has, in accordance with the provisions of the terms of reference and because of the failure of the Neutral Nations Repatriation Commission to discharge its responsibilities, released to civilian status at 0001 hours 23 January 1954 those prisoners of war restored to our custody on 20 and 21 January.³

So that your side may know the truth, our side will outline the operations of transfer of custody which took place on 20 and 21 January. We suggest that you seek verification of these facts from the custodian force, India.

The transfer of the prisoners of war to the custody of our side by the custodian force, India from the South Camp on 20 and 21 January was accomplished in an orderly and quiet manner. The procedure prescribed by the custodian force, India was designed to provide each prisoner of war with a final opportunity to request repatriation if he desired.

The prisoners were instructed by the custodian force, India prior to their release that each prisoner would proceed from the inner gate to the outer gate of their compound individually, while

¹ BULLETIN of Jan. 25, 1954, p. 113.

² Reply by Gen. John E. Hull dated Jan. 16; *ibid.*, p. 115.

³ For statements regarding the release of prisoners of war on Jan. 23, see *ibid.*, Feb. 1, 1954, p. 152.

between the two gates the prisoner would be checked on a roster and if he desired repatriation he could then so indicate by informing the custodian force, India guard or by proceeding in a different direction than the bulk of the prisoners. Evidence that this final opportunity for repatriation existed is the fact that approximately 100 individuals elected to separate themselves from the large majority who did not wish repatriation.

Our side wishes to emphasize that each prisoner of war was given the opportunity to request repatriation. As each prisoner of war left his compound the procedures established by the custodian force, India permitted him to proceed individually from the inner gate to the outer gate. During this period there was no possibility of his fellow prisoners preventing his going to the Indian guard and requesting repatriation if he so desired. At all times there were sufficient Indian guards present to protect any individual who wished to leave his group and seek repatriation. Our side repeats that approximately 100 prisoners of war availed themselves of this opportunity.

Your side violated the armistice agreement by broadcasting threatening messages to the prisoners of war on 20 January. In effect, though illegally, you completed your explanations to all prisoners of war. Only approximately 100 requested repatriation.

The major result of your broadcast was to expedite the transfer and make it more orderly. You made the choice clear and the vast majority, without hesitation, rejected both your threats and your promises. For your help in giving a definite purpose to the movement, our side expresses its appreciation to the senior member of your side.

At 0910 hours on 20 January the first group of Chinese prisoners were out of the demilitarized zone and being loaded in trucks for movement south. At 1033 hours the first group of Korean prisoners of war began moving across the southern boundary of the demilitarized zone. The movement continued without incident until all of the Korean prisoners of war had been loaded on trains and the last train began its southward movement at 2116 hours. The last of the Chinese prisoners of war were loaded on trucks and were moving south at 0249 hours on 21 January 1954.

The custodian force, India reports that approximately 21,800 prisoners of war were released to the United Nations Command within 17½ hours after the first man moved into the area under the control of our side. The best evidence of the voluntary nature of the southward movement of this large number of prisoners of war is the ease with which this mass transfer was effected. They moved a distance of 1½ to 2½ miles of their own free will, not under the direction of any guards. Further evidence that this was a voluntary and orderly move is the fact that there were no injuries or incidents such as certainly would have occurred had the prisoners of war been

forced against their will to return to our side. The prisoners of war were happy and cooperative. Their bands played. The men sang and waved their flags.

International Bank Report

The International Bank for Reconstruction and Development reported a net income of \$10,122,649 for the 6-month period ended December 31, 1953, compared with \$7,639,743 for a corresponding period in 1952.¹

This income was placed in the supplemental reserve against losses on loans and guarantees, and raised the reserve to \$86,636,160. Loan commissions amounted to \$5,563,593 and were credited to the bank's special reserve, increasing that reserve to \$42,800,070.

Total reserves on December 31, 1953, were \$129,436,230.

Gross income, exclusive of loan commissions, was \$23,930,935, compared with \$20,696,715 for the corresponding period in 1952. Expenses totaled \$13,808,286, including \$2,926,889 of administrative expenses, \$9,158,640 of bond interest, and \$1,722,757 of bond issuance and other financial expenses. The bonds issued during the 6-month period were \$75 million 3 percent 3-year bonds, due October 1, 1956; Swiss franc 50 million 3½ percent 15-year bonds, due July 1, 1968; and Swiss franc 50 million 3½ percent 15-year bonds, due Dec. 1, 1968.

During the 6-month period, the bank made 18 loans totaling \$190,392,000 in Brazil, Chile, Colombia, Iceland, Italy, Japan, Nicaragua, Panama, Turkey, and the Union of South Africa. These loans increased total loans signed by the bank to \$1,781,158,464. Disbursements on loans were \$133,043,619, bringing total disbursements to \$1,236,304,734.

Repayments of principal were received from borrowers as due; they totaled \$2,042,684 and brought total principal repayments to \$14,710,994 on December 31. During the period, the bank also sold or agreed to sell to private investors \$14,038,384 principal amount of its loans; this included \$8,965,687 without its guarantee and \$5,072,697 with its guarantee. At December 31, 1953, these transactions brought total sales of effective loans to \$84,053,038; \$29,177,194 of these sales were made without the bank's guarantee.

A change in the par value of the Chilean peso from 31 to 110 pesos per U.S. dollar was approved by the International Monetary Fund in October 1953. Chile later paid additional currency to maintain the bank's holdings of Chilean pesos.

On December 31, 1953, Czechoslovakia was suspended from membership in the bank because of failure to pay a balance of \$625,000 due on its subscription to the bank's capital.

¹ For memorandum relating to the financial statements, see International Bank release of Feb. 1.

International Cooperation in Fisheries Conservation

by *Walter S. Robertson*
*Assistant Secretary for Far Eastern Affairs*¹

I am most happy on behalf of the United States Government to welcome you to Washington to this, your first meeting.

Our Canadian friends are frequent and honored visitors to this city on matters of fisheries conservation. The many joint fishing concerns of the United States and Canadian Governments, on both the Atlantic and Pacific shores, bring our scientists and administrators together with frequency; and it is as always a pleasure to greet our colleagues from Canada.

And on this occasion it is a very special pleasure to welcome our friends from Japan. This is, I believe, the first international conference in Washington in which the Government of Japan has participated since the war. More than that, in this meeting Japan now joins as a partner, with the United States and Canada, in a cooperative research and conservation program for the fish stock of common concern in the North Pacific Ocean. On both these grounds, I repeat our great pleasure in welcoming the representatives of the Japanese Government.

The subject with which you are concerning yourselves, the conservation of high seas fisheries resources, is a question in worldwide ferment today. Two months ago, the subject was before the General Assembly of the United Nations, but no final solution was reached.

There are two opposing schools of thought as to how the continued productivity of marine resources may best be assured.

One school of thought takes the view that national jurisdiction or sovereignty over the high seas is a necessary condition for such assurance. If this theory were placed in effect and if it became international law, there would be no free seas in the sense that we know them now.

The other school of thought maintains that, within the concept of the free seas, the conservation of fisheries resources can be carried out intelligently and effectively by making use of conservation measures such as those developed in the North Pacific Fisheries Convention. The means for such conservation are primarily cooperative and coordinated research and joint use of our scientific knowledge on an international basis. Under this principle the high seas remain free. Governments agree jointly to undertake scientific research in high seas fisheries where needed and jointly to undertake fishing-control measures when science shows them to be desirable. The essence

of this approach is international cooperation to make it possible for mankind to derive the greatest possible benefit from the resources of the high seas.

Your Commission, gentlemen, is a working example of this second, and, as I believe, forward-looking school of thought. Operating under this latest and most advanced conservation treaty, you will carry on under principles which are in some ways new in the practice of international conservation. The world will observe your activities, not only from the test of your success in the scientific study and management of the great North Pacific fish stocks, but also as a test of high seas fisheries conservation under the concept of the freedom of the seas. I wish you every success.

Continuation of Effort To Solve Palestine Problem

*Statement by James J. Wadsworth, Acting U.S. Representative to the U.N.*¹

U.S./U.N. press release dated January 21

In joining with our colleagues of France and the United Kingdom in submitting the redraft before us,² my Government wishes its views to be clearly understood as to purpose.

Together with our cosponsors we have earnestly and patiently sought here to give to General Bennike³ the clearest and least complicated terms of reference for undertaking the task of reconciliation which we have outlined in the new paragraph 11.

As indicated by my colleague from the United Kingdom, we have sought most honestly and sincerely to meet the wishes, views, and objections of the parties to this dispute and of other interested members of the Council. During these negotiations we have been impressed with the unhappy divergence of views of the parties as to their interests, rights, and obligations under their own

¹ Made in the Security Council on Jan. 21.

² U.N. doc. S/3151/Rev. 2. For text of the three-power draft introduced on Dec. 21, 1953, see BULLETIN of Jan. 11, 1954, p. 59. The new draft omitted paragraph 9, which called upon the Chief of Staff of the Truce Supervision Organization "to maintain the demilitarized character of the Zone"; it also rephrased former paragraph 11 as follows:

"Requests and authorizes the Chief of Staff to explore possibilities of reconciling the Israeli and Syrian interests involved in the dispute over the diversion of Jordan waters at Banat Ya'qub, including full satisfaction of existing irrigation rights at all seasons, while safeguarding the rights of individuals in the Demilitarized Zone, and to take such steps in accordance with the Armistice Agreement as he may deem appropriate to effect a reconciliation;"

³ Gen. Vagn Bennike, Chief of Staff of the Truce Supervision Organization.

¹ Remarks made at the opening of the first meeting of the International Commission for the North Pacific Fisheries at Washington, D. C., on Feb. 1 (press release 43).

armistice agreement. And we believe that, if possible, these views should be reconciled.

However, the United States holds that these divergent views indicate that this Council should not attempt to interpret by resolution what the parties' interests, rights, and obligations are. This is for the parties themselves to resolve in accordance with the provisions of their own armistice agreement under the aegis of General Bennike. We, as the Council, as the sponsors believe, are merely here requesting and authorizing him as the Council's agent to assume a necessary initiative in this matter. What is more, we are not investing him with new and extraordinary powers which he did not already have assigned to him under that agreement.

As Sir Gladwyn Jebb has already pointed out, we have been at this job for some time. Some 13 weeks have elapsed since the matter first received the Council's consideration, and with due regard to the fact that the new members of the Council have had to acquaint themselves with a most complicated set of issues, we nevertheless believe, and it is my Government's firm view, that it would be in the general interest—in the interest of everyone concerned, members of the Council, parties to the dispute and all the rest—to proceed as swiftly as possible to action on this resolution today.⁴

Progress Toward Self-Rule in African Territories

Statement by Mason Sears⁵

U.S./U.N. press release dated February 3

For a number of reasons the discussions on political progress in the Trust Territory of the British Cameroons, which is jointly administered with Nigeria, has given much satisfaction to the U.S. delegation.

First of all, it appears from what has been said and from the reports before us that the colonial days of these regions are coming to an end with the rapid approach of full self-government.

New constitutional developments in Nigeria and the Cameroons and also in nearby territories indicate that the time is nearly at hand when a large part of West Africa, involving a huge population of around 40 million people, will have achieved self-determination in superseding their colonial status.

⁴ The vote in the Council on Jan. 22 was 7-2 (Lebanon, U.S.S.R.), with Brazil and China abstaining. The Soviet veto was its 57th.

⁵ Made in the Trusteeship Council on Feb. 3. Mr. Sears is U.S. representative in the Council.

This will do much to deflate the issue of colonialism which is being used to hamper and divide the free world in its resistance to the attempted expansion of the captive world.

It also happily forecasts that unless they are blackballed by the veto of an unfriendly power it will not be long before several new African States can properly look forward to representation in the United Nations.

Beyond these comments we have nothing to suggest, since we are convinced that the United Kingdom, through its administrators, is doing a splendid job in the Cameroons as well as in other parts of West Africa.

These developments are having great political impact internationally and lend much encouragement to the progress of sound and stable self-government in the other trust territories as well as throughout Africa and the rest of the world.

U. S. Delegations to International Conferences

International Film Festival

Eric Johnston, President of the Motion Picture Association of America, Inc., has been designated as the official U.S. representative at the First International Film Festival of Brazil, opening in São Paulo on February 12 as part of the year-long celebration of the city's 400th anniversary, the U.S. Information Agency announced on January 29. Alan Fisher, the U.S.I.A.'s motion-picture officer in Brazil, has been designated alternate representative. A large unofficial delegation from the motion-picture industry, which will include outstanding Hollywood directors, actors, and actresses, publicity specialists, and technicians, also will be headed by Mr. Johnston.

FOREIGN SERVICE

Confirmations

The Senate on January 25 confirmed the following nominations:

Willard L. Beaulac to be Ambassador to Chile.

Selden Chapin to be Ambassador to Panama.

Hugh S. Cumming, Jr., to be Ambassador to Indonesia.

Robert C. Hill to be Ambassador to Costa Rica.

U. Alexis Johnson to be Ambassador to Czechoslovakia.

H. Freeman Matthews to be Ambassador to the Netherlands.

Dempster McIntosh to be Ambassador to Uruguay.

John E. Peurifoy to be Ambassador to Guatemala.

Rudolph E. Schoenfeld to be Ambassador to Colombia.

George Wadsworth to be Ambassador to Saudi Arabia, and to serve concurrently and without additional compensation as Minister to Yemen.

Wiley T. Buchanan, Jr., to be Minister to Luxembourg.

Department of State Bulletin

Africa

The Development of United States Policy in the Near East, South Asia, and Africa During 1953: Part I (Howard) 274

Progress Toward Self-Rule in African Territories (Sears) 298

American Principles

Brotherhood in the World of Today (Murphy) 287

Building a Secure Community (Morton) 289

Fifth Anniversary of Mindszenty Imprisonment (Eisenhower) 273

A Foreign Policy for the Long Haul (Smith) 263

American Republics. International Film Festival 298

Brazil. International Film Festival 298

Communism

Building a Secure Community (Morton) 289

Fifth Anniversary of Mindszenty Imprisonment (Eisenhower) 273

Costa Rica. Letter of Credence of Ambassador Facio 273

Czechoslovakia. Release of John Hvasta (Dulles) 273

Economic Affairs

French Shippers Study U.S. Freight Handling 272

International Bank Report 296

International Cooperation in Fisheries Conservation (Robertson) 297

Mission to the Middle East (Johnston) 282

Trade Relations and Japanese Economy (Waring) 293

Turkey—Land of Progress and Promise (Anderson) 284

Foreign Service

Confirmations. Beaulac, Buchanan, Chapin, Cumming, Hill, Johnson, Matthews, McIntosh, Peurifoy, Schoenfeld, Wadsworth 298

France. French Shippers Study U.S. Freight Handling 272

Germany. Fifth Anniversary of Exchange Program With West Germany 272

Hungary. Fifth Anniversary of Mindszenty Imprisonment (Eisenhower) 273

International Information. International Bank Report 296

International Organizations and Meetings

Foreign Ministers' Discussions Continue (Dulles; Soviet proposals) 266

International Cooperation in Fisheries Conservation (Robertson) 297

International Film Festival 298

Japan. Trade Relations and Japanese Economy (Waring) 293

Korea

German Government Furnishes Hospital for Korea (text of agreement) 270

President Asks Governors To Visit Korea (text of letter) 273

Transfer of Custody of POW's in Korea Outlined (Lacey) 295

Middle East. Mission to the Middle East (Johnston) 282

Military Affairs. Transfer of Custody of POW's in Korea Outlined (Lacey) 295

Mutual Security

The Development of United States Policy in the Near East, South Asia, and Africa During 1953: Part I (Howard) 274

Mission to the Middle East (Johnston) 282

Near East. The Development of United States Policy in the Near East, South Asia, and Africa During 1953: Part I (Howard) 274

Non-Self-Governing Territories. Progress Toward Self-Rule in African Territories (Sears) 298

Palestine. Continuation of Effort To Solve Palestine Problem (Wadsworth) 297

Presidential Documents

President Asks Governors To Visit Korea (text of letter) 273

Fifth Anniversary of Mindszenty Imprisonment (text of letter) 273

South Asia. The Development of United States Policy in the Near East, South Asia, and Africa During 1953: Part I (Howard) 274

Treaty Information

Foreign Ministers' Discussions Continue (Dulles; Soviet proposals) 266

German Government Furnishes Hospital for Korea (text of agreement) 270

Turkey. Turkey—Land of Progress and Promise (Anderson) 284

United Nations

Security Council. Continuation of Effort To Solve Palestine Problem (Wadsworth) 297

Transfer of Custody of POW's in Korea Outlined (Lacey) 295

Name Index

Anderson, Samuel W.	284
Beaulac, Willard L.	298
Buchanan, Wiley T.	298
Chapin, Selden	298
Cumming, Hugh S., Jr.	298
Dulles, Secretary	266, 273
Eisenhower, President	273
Facio, Antonio A.	273
Hill, Robert C.	298
Howard, Harry N.	274
Hvasta, John	273
Johnson, U. Alexis	298
Johnston, Eric	282, 298
Krekeler, Heinz L.	270
Lacey, Julius K.	295
Matthews, H. Freeman	298
McIntosh, Dempster	298
Mindszenty, Cardinal	273
Morton, Thruston B.	289
Murphy, Robert	287
Peurifoy, John E.	298
Robertson, Walter S.	297
Schoenfeld, Rudolph E.	298
Sears, Mason	298
Smith, Walter Bedell	263, 270
Thornton, Dan	273
Vorbeck, Frederic L.	273
Wadsworth, George	298
Wadsworth, James J.	297
Waring, Frank A.	293

Check List of Department of State Press Releases: February 8-14

Releases may be obtained from the News Division, Department of State, Washington 25, D.C.

Press releases issued prior to February 8 which appear in this issue of the BULLETIN are Nos. 36 of January 26, 43 of February 1, 44 of February 2, and 51 of February 4.

No.	Date	Subject
58	2/8	Dulles: Berlin statement, Feb. 5
59	2/9	Costa Rican credentials (rewrite)
60	2/9	Smith: Foreign policy
61	2/10	Dulles: Letter to Hvasta
62	2/11	Dulles: Statement of Feb. 9
*63	2/11	Cabot-Dulles letters
64	2/11	Dulles: Statement of Feb. 10
65	2/12	German hospital to Korea

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